

Purchasing Week

McGraw-Hill's National Newspaper of Purchasing

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Vol. 4, No. 2

New York, N. Y., January 9, 1961

\$6 A YEAR U.S. AND CANADA \$25 A YEAR FOREIGN

Coming Next Week in P/W: How to Order Scientifically



F. Albert Hayes

Next week—for the first time—you can run your finger down a column of figures (something like a railroad timetable) and instantaneously find out:

- The right order-size (in dollars) for many items you commonly buy.
- Whether to be lured by a

quantity discount or lower shipping costs.

- How big a penalty you can incur by a wrong decision.

With the guidance of consultant F. Albert Hayes, PURCHASING WEEK will present in two installments (Jan. 16 and 23) A study entitled "How You Can Order Scientifically."

It consists of:

- (1) Clear, to-the-point instructions in how to operate an Economic Order Value method.
- (2) Twelve tables that give correct order-sizes.

We suggest you clip and save these articles—or order reprints in permanent booklet form at 25¢ per copy (a coupon will appear with the articles).

Today's Price Deal: Wild Penny-Ante Poker

Senate Task Force Urges Congress To Put an End to Shipping Rate Wars

Washington—A Senate staff report urges that the government establish a "floor" under freight rates to help eliminate "cut-throat competition" and insure a healthy national transportation system.

This is one of the major recommendations made to Congress by a special task force which has just completed an 18-month study of transportation problems for the Senate Commerce Committee. The study group was headed by John P. Doyle, retired Air Force general and head of a private transportation consulting firm.

In its 800-page report, the group was sharply critical of volume shippers for helping force many freight charges down to "bargain rates" and for pushing the transportation industry to the verge of a rate war.

It said shippers had been aided in this by government policies which ultimately have led to an "oversupply of transportation capacity."

This combination of over-competition and low rates—in many cases below costs—has pushed much of the transportation industry close to a financial crisis, the group said in its report.

It recommended that the government not only establish a minimum rate system but require that rates be set at a level which would

(Turn to page 36, column 2)

Teamster Wage Talks Augur Possible Boosts In Truck Freight Rates

Chicago—A wage settlement pattern that portended possible new truck freight rate increases began shaping up here last week in negotiations between Midwest trucking companies and James R. Hoffa's Teamsters union.

Agreements in local cartage negotiations provided for 28¢/hr. in three annual wage increments plus additional expensive fringe benefits.

Industry spokesmen were hoping that settlements covering nearly 200,000 drivers employed by some 4,000 over-the-road trucking companies would come

(Turn to page 35, column 1)

Antitrusters Seek P.A. Aid to Fight Identical Bidding

Washington—State and federal antitrusters are gearing up a mutual security program against identical bidding.

The problem tentatively is scheduled to be thrashed out at a late February or early March meeting between representatives of the Justice Dept.'s Antitrust Div., the National Assn. of State Purchasing Officials, and the National Assn. of State Attorneys General.

The idea is to organize an exchange of information that will enable buyers, state legal experts, and the federal government to combat price fixing and identical bidding on federal, state, and local government contracts. Implication is that effects of the enforcement program will be felt in the industrial procurement area as well.

A definite date for the three-way meeting in Washington has yet to be set. But representing the buyer's side will be NASPO's three-man committee on Competition in Governmental Purchasing, chaired by C. L. Magnuson, purchasing agent for Connecticut. Other members of

(Turn to page 4, column 3)

Index 'Stability' Disguises Constant Changes That Keep Close-to-the-Vest Buyers Guessing

New York—"Yes, I know prices are supposed to be stable," a P.A. cracked last week, "but I haven't seen this many changes since my wife dragged me to an auction in Atlantic City."

PURCHASING WEEK statistics show this statement is dead on the nose. Here's the collected evidence:

2 Major Carriers Set Up Free Consulting Services

New York—Two major carriers have set up consulting services to help shippers with cost-cutting suggestions and marketing advice.

• REA Express has announced a new distribution management consulting service which, it says, holds promise of providing substantial cost savings to manufacturers of nationally-sold industrial and consumer products.

• Pan American Airways set up a marketing advisory service to keep shippers posted on business conditions in more than 100 trading centers abroad.

REA said it would offer its

(Turn to page 35, column 2)

• Over-all, industrial prices last year varied by an average of only about 0.5% over the year before.

• Yet in December alone, PURCHASING WEEK's "Price Changes for P.A.'s" had the walloping score of 85—just about double the number for the prior December.

You can make sense out of this paradox by sifting these gleanings by reports and observers:

(1) True, in big, broad terms prices are moving in a very narrow sideways band.

(2) But within that range, there's a terrific ferment.

(3) The ferment is caused by short-ordering on the part of P.A.'s to avoid such "hidden" costs as storage and insurance; a countervailing tendency by suppliers to move prices up or down quickly—whichever way they get a break; and a general cat-and-

(Turn to page 36, column 1)

—This Week's—

Purchasing Perspective

JAN. 9-15

One of the facts of life underscored in the industry-wide swing toward smaller inventories is an increasing reliance on industrial distributors and steel service centers as supply sources. Buyer interest in dealing at industrial "supermarkets" is forcing many factory and mill sources to revamp sales and promotional activities to accommodate customer preference for more frequent, smaller orders.

Industrial distributors can produce several surveys and stacks of statistics to support their claim to an increasing share of the industrial market over the past decade, and especially in the past year or so. In the steel industry Jones & Laughlin last year was one of the first of the major producers to capitalize on a buyer preference for warehouse suppliers by shifting most of its stainless sales to independent service center outlets.

(Turn to page 35, column 4)

P/W PANORAMA

• **Tremendous Growth Is in Store** for U.S. industry during the next 15 years. And the reason behind it is the huge effort going into development of new products. For an idea of how this will affect you, see the spread on pages 20 and 21.

• **The Auction Market Is Slow**, apparently because recession talk is prompting prospective buyers of used equipment and machinery to proceed with caution. For the latest resale prices and a list of coming auctions, see pages 32 and 33.

• **The Phrase 'An Act of God' Appears Often** in your contracts, but are you sure you know what it means? 'The Law and You' column on page 34 contains a brief discussion of this vital phrase, as well as other points of law affecting you.

• **Scrap Metal Prices Have Hit Their Low Point**. That's the feeling of dealers, who see firming in prospect in some areas but no price pickup in the foreseeable future. For the rundown, see the story on scrap metal prices on page 10.

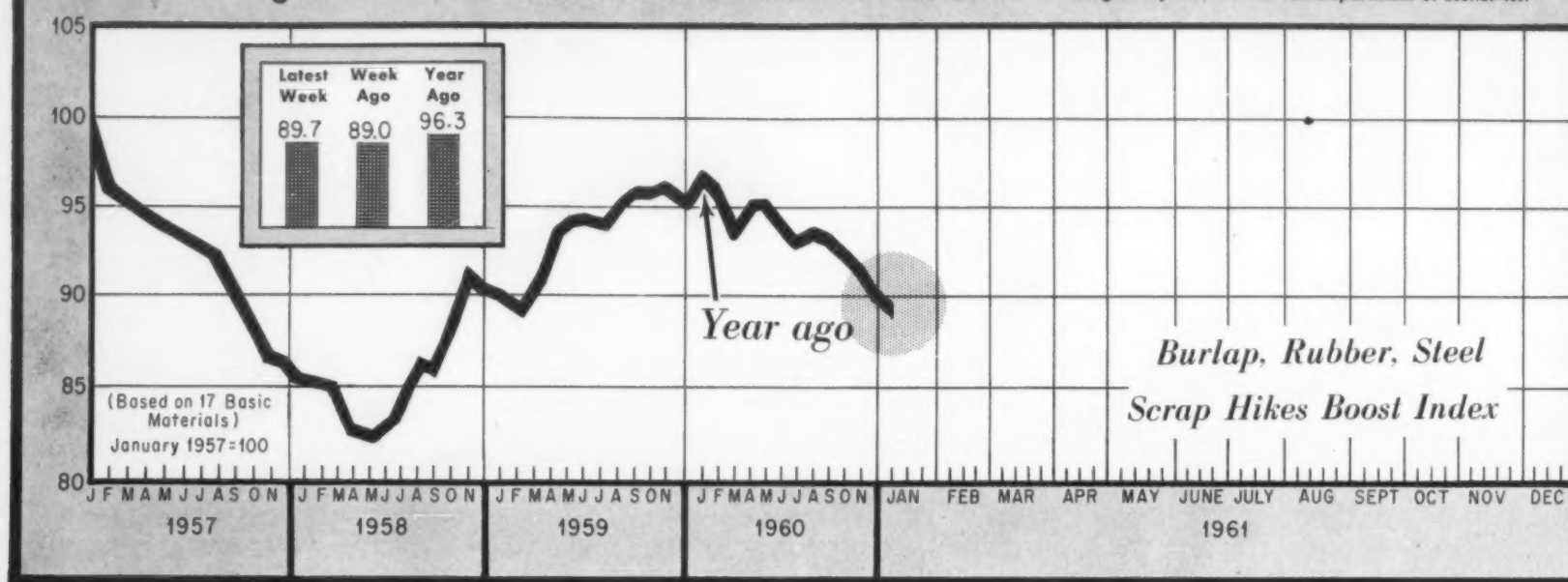
Screwdrivers Next?

Denver—Southpaw students in Denver have a friend in Purchasing Agent Edgar Olander. He wheedled \$402 out of the school board for 13 gross of left-handed scissors.

But board members had to be convinced first. They experimented by cutting paper with right-handed scissors held in their left hands. Idea was to test the principle that right-handers can sight along the cutting edge because the upper blade is on the right. This isn't so easy for lefties, so their cutting edge is reversed.

Purchasing Week Industrial Materials Price Barometer

This index, based on 17 basic materials, was especially designed by the McGraw-Hill Department of Economics.



This Week's Commodity Prices

	Jan. 4	Dec. 28	Year Ago	% Yrly Change
METALS				
Pig iron, Bessemer Pitts., gross ton.....	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton.....	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton.....	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt.....	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt.....	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt.....	5.97	5.97	5.975	-.1
Steel, bars, Pitts., cwt.....	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt.....	5.30	5.30	5.30	0
Steel scrap, #1 heavy, del. Pitts., gross ton.....	30.00	27.00	42.00	-28.6
Steel scrap, #1 heavy, del. Cleve., gross ton.....	26.00	25.00	41.00	-36.6
Steel scrap, #1 heavy, del. Chicago, gross ton.....	28.00	26.00	40.00	-30.0
Aluminum, pig, lb.....	.26	.26	.26	0
Secondary aluminum, #380 lb.....	.23	.23	.25	-8.0
Copper, electrolytic, wire bars, refinery, lb.....	.296	.296	.336	-11.9
Copper scrap, #2, smelters price, lb.....	.23	.233	.26	-11.5
Lead, common, N.Y., lb.....	.11	.11	.12	-8.3
Nickel, electrolytic, producers, lb.....	.74	.74	.74	0
Tin, Straits, N.Y., lb.....	1.005	1.004	.993	+1.2
Zinc, Prime West, East St. Louis, lb.....	.12	.12	.118	+1.7
FUELS†				
Fuel oil #6 or Bunker C, Gulf, bbl.....	2.30	2.30	2.00	+15.0
Fuel oil #6 or Bunker C, N.Y., barge, bbl.....	2.62	2.62	2.37	+10.5
Heavy fuel, PS 400, Los Angeles, rack, bbl.....	2.05	2.05	2.15	-4.7
Lp-Gas, Propane, Okla., tank cars, gal.....	.045	.045	.05	-10.0
Gasoline, 92 oct. reg., Chicago, tank car, gal.....	.126	.126	.114	+10.5
Gasoline, 84 oct. reg., Los Angeles, rack, gal.....	.105	.105	.11	-4.5
Kerosene, Gulf, Cargoes, gal.....	.095	.093	.095	0
Heating oil #2, Chicago, bulk, gal.....	.098	.098	.096	+2.1
CHEMICALS				
Ammonia, anhydros, refrigeration, tanks, ton.....	94.50	94.50	90.50	+4.4
Benzene, petroleum, tanks, Houston, gal.....	.34	.34	.34	0
Caustic soda, 76% solid, drums, carlots, cwt.....	4.80	4.80	4.80	0
Coconut oil, inedible, crude, tanks, N.Y. lb.....	.134	.134	.19	-29.5
Glycerine, synthetic, tanks, lb.....	.273	.273	.293	-6.8
Linseed oil, raw, in drums, carlots, lb.....	.162	.162	.176	-8.0
Phthalic anhydride, tanks, lb.....	.185	.185	.165	+12.1
Polyethylene resin, high pressure molding, carlots, lb.....	.275	.275	.325	-15.4
Rosin, W.G. grade, carlots, fob N.Y. cwt.....	17.50	17.50	13.10	+33.6
Shellac, T.N., N.Y. lb.....	.31	.31	.31	0
Soda ash, 58%, light, carlots, cwt.....	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton.....	23.50	23.50	23.50	0
Sulfuric acid, 66% commercial, tanks, ton.....	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb.....	.061	.061	.085	-28.2
Titanium dioxide, anatase, reg. carlots, lb.....	.255	.255	.255	0
PAPER				
Book paper, A grade, Eng. finish, Untrimmed, carlots, cwt.....	17.75	17.75	17.20	+3.2
Bond paper, #1 sulfite, water marked, 20 lb, carton lots, cwt.....	25.20	25.20	25.20	0
Chipboard, del. N.Y., carlots, ton.....	100.00	100.00	100.00	0
Wrapping paper, std. Kraft, basis wt. 50 lb rolls.....	9.50	9.50	9.25	+2.7
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle.....	6.60	6.60	6.30	+4.8
Old corrugated boxes, dealers, Chicago, ton.....	13.00	13.00	19.00	-31.6
BUILDING MATERIALS‡				
Cement, Portland, bulk carlots, fob New Orleans, bbl.....	3.65	3.65	3.65	0
Cement, Portland, bulk carlots, fob N.Y., bbl.....	4.20	4.20	4.18	+.5
Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm.....	116.00	116.00	126.00	-7.9
Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm.....	129.00	129.00	139.00	-7.2
Spruce, 2x4, s4s, carlots, fob Toronto, mftbm.....	82.00	82.00	89.00	-7.9
Fir plywood, 1/4" AD, 4x8, dealer, crld, fob mill, msf.....	68.00	68.00	72.00	-5.6
TEXTILES				
Burlap, 10 oz. 40", N.Y., yd.....	.146	.14	.106	+37.7
Cotton middling, 1", N.Y., lb.....	.323	.323	.331	-2.4
Printcloth, 39", 80x80, N.Y., spot, yd.....	.175	.175	.23	-23.9
Rayon twill, 40 1/2", 92x62, N.Y., yd.....	.215	.215	.235	-8.5
Wool tops, N.Y., lb.....	1.455	1.455	1.585	-8.2
HIDES AND RUBBER				
Hides, cow, light native, packers, Chicago, lb.....	.16	.16	.215	-25.6
Rubber, #1 std ribbed smoked sheets, N.Y., lb.....	.296	.289	.432	-31.5

† Source: Petroleum Week ‡ Source: Engineering News-Record

This Week's

Price Perspective

JANUARY 9-15

NUMBER ONE METAL PROBLEM remains the fact that demand is just not keeping pace with still growing capacity.

It's the major reason why prices are generally weak—and why no sharp across-the-board hikes are looked for in coming months.

● **On the demand side**—government and industry experts now see no substantial gain in metal consumption over the next 12 months. In fact in one case—copper—they see fabricator business actually falling below year ago levels as foreign competition continues to make inroads.

● **On the supply side**—capacity is continuing to rise in just about every major metal—in line with the huge \$1.86-billion spent for modernization and expansion by the metal industry in the year just ended.

IT ALL ADDS UP to lower operating rates for virtually every major metal in 1961.

How much lower? In 1960 the typical metal firm operated at only 71% of capacity—according to Federal Reserve Board estimates.

Assuming no change in output levels and a 4% boost in metal capacity (that's what huge capital outlays indicate), it's hard to see how metal operating rates can run above 65% to 70% of capacity for the year as a whole.

ON A METAL BY METAL BASIS, here's how the capacity-demand outlook shapes up:

● **STEEL**—Capacity right now is up about 1 1/2-million tons over year-ago levels—to about 150-million tons. At the same time, industry spokesmen see a sales level of only about 95-105-million tons. This averages out very close to 1960's total of some 99-million tons.

This means steel producers over the year will be operating in the neighborhood of 65%-70% of capacity.

● **ALUMINUM**—Much the same picture is seen for the light metal. Domestic capacity is up about another 130,000 tons to 2,466,000 tons. That's close to 6% above comparable year ago figures. Even if export demand holds up, its doubtful whether producers could sell more than 2-million tons in 1961 (the same amount they sold in 1960).

But that would still leave operating rates at about 81% of capacity.

● **COPPER**—Despite recently announced cutbacks, production will remain closer to capacity—but only because producers are willing to stockpile the red metal. They figure that this is less costly than shutting down and then reopening the mines at a later date.

But the effect in prices will be no different than for steel and aluminum. Huge stocks of copper accumulating in refiners warehouses (they're up 75% above year-ago levels) are putting pressure on the entire price structure.

And rumors of price shading, if true, could spark further cuts in early 1961.

HIGHER COTTON PRICES? That's a question a lot of textile buyers are asking as the new Secretary of Labor gets set to place support levels on this key crop.

Experts are betting Uncle Sam's price will be significantly above the 75% of parity level which outgoing Secretary Benson set for cotton over the past year. Under law, the Agriculture Dept. can place prices anywhere within the 70% to 90% range.

Equally important, 1961 support techniques will automatically eliminate last year's windfall gain which allowed domestic buyers to get cotton at 3¢/lb. under support levels. **In 1961 they'll have to pay some 4¢ to 5¢/lb. above the loan rate if they want to obtain government cotton.**

New Discounting Cuts Zinc Prices For the Third Time Within a Month

New York—St. Joseph Lead Co. gave the already weakened zinc market another jolt last week by announcing a \$10/ton discount on all grades of zinc, from the established St. Louis base price.

The discount lops still another 1/2¢/lb. from the price of zinc, which leveled off at 12¢/lb three weeks ago, after a two-step reduction of 1¢/lb.

St. Joseph said it made the move to counter discounts of 1/4¢-1/2¢ already being offered by domestic manufacturers. "A third to half of our customers have told us that these discounts were available," a company spokesman said. "We merely brought it out in the form of a policy."

The action caught other zinc producers by surprise. Asked whether his company would follow suit, the sales manager of one large zinc firm said, "St. Joseph is forcing us into a competitive position, where we'll have to do something of the same sort."

St. Joseph said it would continue to offer its 1/2¢ discount even in the face of another price reduction. However, most industry sources agree it is unlikely that countermoves will take the form of an outright price cut.

The move also raises the possibility that general discounts may be applied to alloys as well as slab zinc. St. Joseph does not manufacture zinc alloys, but a spokesman for another company said that if the industry follows St. Joseph's lead, discounts would

probably spread over the entire spectrum of zinc products.

St. Joseph said that the discounts would apply to mixed carloads if requested, though its customers currently do not ask for shipment of different grades in the same carlots.

Current posted zinc slab prices for the two most commonly used grades are: prime western, 12¢/lb. (East St. Louis), special high grade, 13 1/2¢/lb. (delivered).

Speculative Buying Pushes Steel Scrap Price Up

Pittsburgh—Steel scrap prices took a turn upward last week with hikes of up to \$5.60 reported in some grades.

The rises were set off by speculative buying by brokers in anticipation of a pickup in steel production plus increased foreign demand. However, prices were still below levels of a year ago.

Here are some selected scrap prices as reported from various areas:

• **Pittsburgh.** No. 1 heavy melting scrap was sold to a steel

mill for \$30 a ton, a \$3 increase over the November price. Late last summer the price of this key grade fell \$4 to \$27/ton, in contrast to its \$42 price this time last year.

No. 1 industrial bundles were reportedly sold to brokers at \$34.70/ton by an auto body stamping plant. This compares to prices ranging from \$29.15 to \$29.75 at the end of November.

• **Chicago.** No. 1 heavy melting grade showed increases of \$2, bringing the price to \$30/ton,

the highest since last October. An auto stamping plant sold No. 1 factory bundles at prices up to \$5.60 higher than previously, or \$32.19/ton.

• **Cleveland.** No. 1 industrial bundles showed increases of \$5 to \$5.50 a ton, for example: A major automobile stamping plant sold 8,000 tons at \$31.75, a hike of \$5.50 over the previous sale.

• **Detroit.** No. 1 industrial bundles were up \$5 from a month ago at \$31.50 on track.

Major Oil Companies Post Price Increases As Cold Weather Hits

New York—Major oil companies posted higher fuel prices ranging from 1/2¢ to 21¢/bbl. last week in many parts of the country.

Esso Standard kicked off the increases by hiking kerosene, No. 2 heating oil and diesel fuels on the Eastern Seaboard and at Gulf ports.

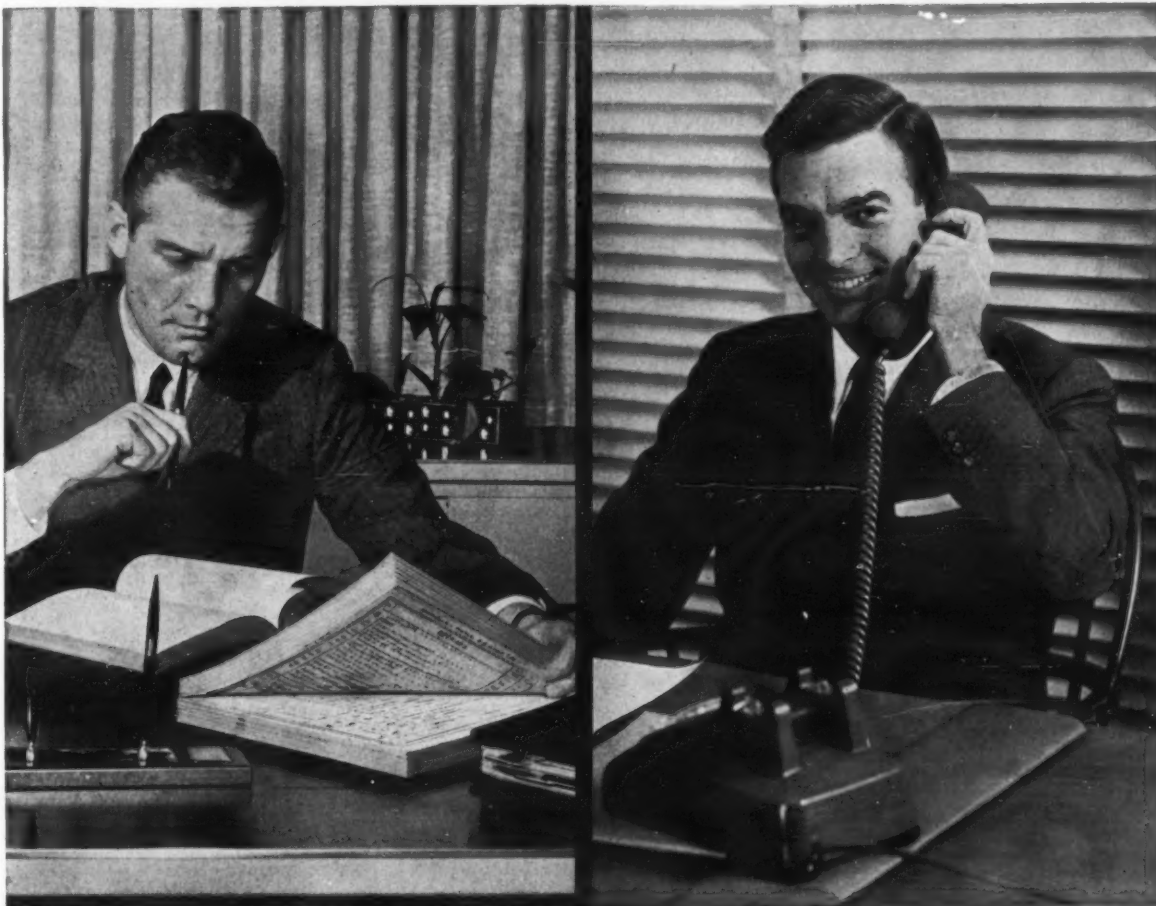
The move was quickly followed by Cities Service, Gulf, California Oil, and Sun. Mobil and Atlantic Refining were also expected to post higher schedules.

On the East Coast light marine diesel fuel rose 21¢/bbl., while at Baton Rouge and New Orleans, the increase was 13¢/bbl. Heavy marine diesel moved up 10¢ bbl. at East Coast and Gulf Ports.

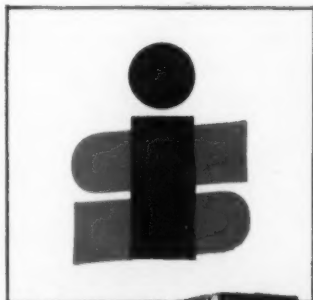
Price advances on No. 4 fuel oil generally were 16¢ bbl. along the East Coast, with the exception of Norfolk where it was 14¢. No. 5 fuel oil prices were up 16¢ at Boston; 6¢ at New York; 12¢ at Baltimore, and 4¢ at Norfolk, Wilmington, N.C., and Charleston.

Oil producers attributed the increases to cold weather, lower inventories and higher tanker rates.

The price boost was the third for the East Coast this season, but the first advance in September was wiped out by a later reduction. While the boosts placed prices at some locations above the peak of last season, Esso's new listings in some areas were below those in effect during the 1958-59 heating season.



Two ways to keep from being outclassed!



Grand Rapids
Michigan



■ It's a problem. Many companies each year are "outclassed" by their freight classifications — and waste thousands of dollars in shipping costs. In many cases, their own descriptions are at fault. If you have the uncomfortable feeling that this is happening to your company, you can do one of two things. Become an expert on classification yourself by drudging study of the "National Motor Freight Classification" manual. That's the hard way, as you well know.

Or, do as many other companies are doing and ship Interstate System, the motor common carrier whose people are trained to give you every advantage in the book. You can't afford to be outclassed — and you won't be with Interstate System. Call the Interstate transportation specialist. He's in the Yellow Pages.

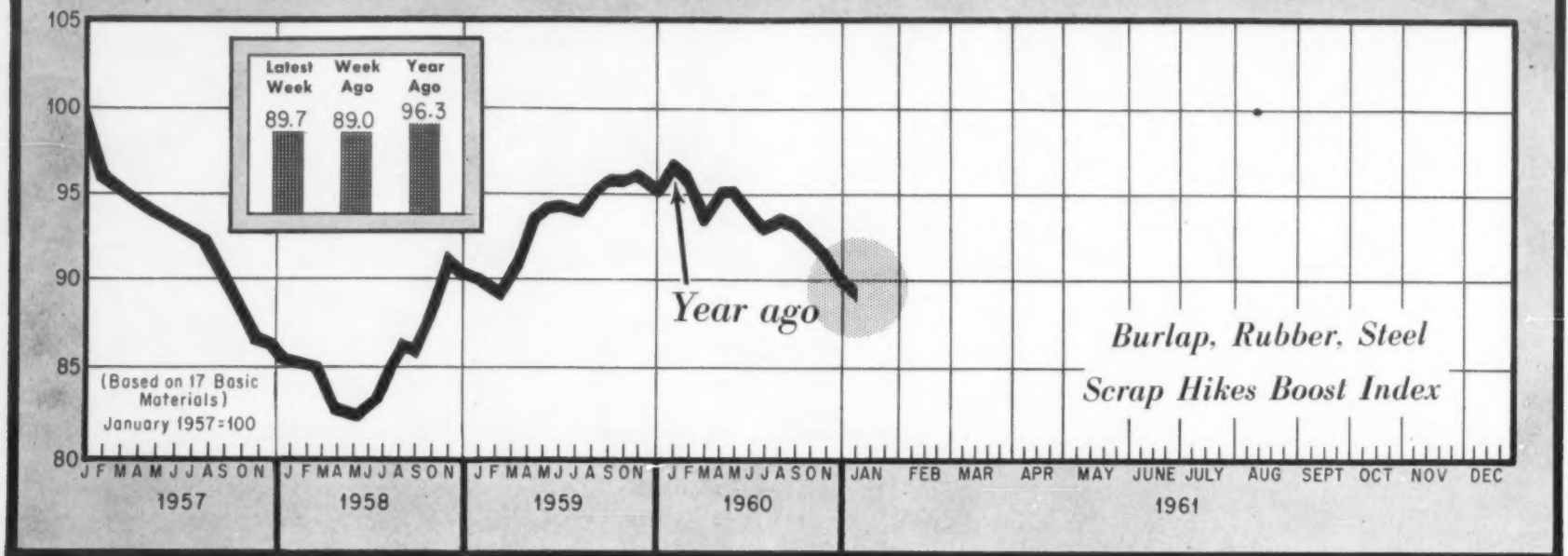
Interstate System: 23,000 miles of authority in 24 states, connecting more than 9,000 points with direct, single-line service through 76 modern terminals.

INTERSTATE SYSTEM

MORE THAN A TRUCK LINE . . . A TRANSPORTATION SYSTEM

Purchasing Week Industrial Materials Price Barometer

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Steel, bars, Pitts., cwt.....	5.675	5.675	5.675	0
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Fuel oil #6 or Bunker C, N.Y., barge, bbl.....	2.62	2.62	2.37	+10.5
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Kerosene, Gulf, Cargoes, gal.....	.095	.093	.095	0
Heating oil #2, Chicago, bulk, gal.....	.098	.098	.096	+2.1
CHEMICALS				
Ammonia, anhydros, refrigeration, tanks, ton.....	94.50	94.50	90.50	+4.4
Benzene, petroleum, tanks, Houston, gal.....	.34	.34	.34	0
Caustic soda, 76% solid, drums, carlots, cwt.....	4.80	4.80	4.80	0
Coconut oil, inedible, crude, tanks, N.Y. lb.....	.134	.134	.19	-29.5
Glycerine, synthetic, tanks, lb.....	.273	.273	.293	-6.8
Linseed oil, raw, in drums, carlots, lb.....	.162	.162	.176	-8.0
Phthalic anhydride, tanks, lb.....	.185	.185	.165	+12.1
Polyethylene resin, high pressure molding, carlots, lb.....	.275	.275	.325	-15.4
Rosin, W.G. grade, carlots, fob N.Y. cwt.....	17.50	17.50	13.10	+33.6
Shellac, T.N., N.Y. lb.....	.31	.31	.31	0
Soda ash, 58%, light, carlots, cwt.....	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton.....	23.50	23.50	23.50	0
Sulfuric acid, 66% commercial, tanks, ton.....	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb.....	.061	.061	.085	-28.2
Titanium dioxide, anatase, reg. carlots, lb.....	.255	.255	.255	0
PAPER				
Book paper, A grade, Eng. finish, Untrimmed, carlots, cwt.....	17.75	17.75	17.20	+3.2
Bond paper, #1 sulfite, water marked, 20 lb, carton lots, cwt.....	25.20	25.20	25.20	0
Chipboard, del. N.Y., carlots, ton.....	100.00	100.00	100.00	0
Wrapping paper, std. Kraft, basis wt. 50 lb rolls.....	9.50	9.50	9.25	+2.7
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle.....	6.60	6.60	6.30	+4.8
Old corrugated boxes, dealers, Chicago, ton.....	13.00	13.00	19.00	-31.6
BUILDING MATERIALS‡				
Cement, Portland, bulk carlots, fob New Orleans, bbl.....	3.65	3.65	3.65	0
Cement, Portland, bulk carlots, fob N.Y., bbl.....	4.20	4.20	4.18	+.5
Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm.....	116.00	116.00	126.00	-7.9
Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm.....	129.00	129.00	139.00	-7.2
Spruce, 2x4, s4s, carlots, fob Toronto, mftbm.....	82.00	82.00	89.00	-7.9
Fir plywood, 1/4" AD, 4x8, dealer, crld, fob mill, msf.....	68.00	68.00	72.00	-5.6
TEXTILES				
Burlap, 10 oz. 40", N.Y., yd.....	.146	.14	.106	+37.7
Cotton middling, 1", N.Y., lb.....	.323	.323	.331	-2.4
Printcloth, 39", 80x80, N.Y., spot, yd.....	.175	.175	.23	-23.9
Rayon twill, 40 1/2", 92x62, N.Y., yd.....	.215	.215	.235	-8.5
Wool tops, N.Y., lb.....	1.455	1.455	1.585	-8.2
HIDES AND RUBBER				
Hides, cow, light native, packers, Chicago, lb.....	.16	.16	.215	-25.6
Rubber, #1 std ribbed smoked sheets, N.Y., lb.....	.296	.289	.432	-31.5

† Source: Petroleum Week ‡ Source: Engineering News-Record

This Week's

Price Perspective

JANUARY 9-15

NUMBER ONE METAL PROBLEM remains the fact that demand is just not keeping pace with still growing capacity.

It's the major reason why prices are generally weak—and why no sharp across-the-board hikes are looked for in coming months.

• **On the demand side**—government and industry experts now see no substantial gain in metal consumption over the next 12 months. In fact in one case—copper—they see fabricator business actually falling below year ago levels as foreign competition continues to make inroads.

• **On the supply side**—capacity is continuing to rise in just about every major metal—in line with the huge \$1.86-billion spent for modernization and expansion by the metal industry in the year just ended.

IT ALL ADDS UP to lower operating rates for virtually every major metal in 1961.

How much lower? In 1960 the typical metal firm operated at only 71% of capacity—according to Federal Reserve Board estimates.

Assuming no change in output levels and a 4% boost in metal capacity (that's what huge capital outlays indicate), it's hard to see how metal operating rates can run above 65% to 70% of capacity for the year as a whole.

ON A METAL BY METAL BASIS, here's how the capacity-demand outlook shapes up:

• **STEEL**—Capacity right now is up about 1 1/2-million tons over year-ago levels—to about 150-million tons. At the same time, industry spokesmen see a sales level of only about 95-105-million tons. This averages out very close to 1960's total of some 99-million tons.

This means steel producers over the year will be operating in the neighborhood of 65%-70% of capacity.

• **ALUMINUM**—Much the same picture is seen for the light metal. Domestic capacity is up about another 130,000 tons to 2,466,000 tons. That's close to 6% above comparable year ago figures. Even if export demand holds up, its doubtful whether producers could sell more than 2-million tons in 1961 (the same amount they sold in 1960).

But that would still leave operating rates at about 81% of capacity.

• **COPPER**—Despite recently announced cutbacks, production will remain closer to capacity—but only because producers are willing to stockpile the red metal. They figure that this is less costly than shutting down and then reopening the mines at a later date.

But the effect in prices will be no different than for steel and aluminum. Huge stocks of copper accumulating in refiners warehouses (they're up 75% above year-ago levels) are putting pressure on the entire price structure.

And rumors of price shading, if true, could spark further cuts in early 1961.

HIGHER COTTON PRICES? That's a question a lot of textile buyers are asking as the new Secretary of Labor gets set to place support levels on this key crop.

Experts are betting Uncle Sam's price will be significantly above the 75% of parity level which outgoing Secretary Benson set for cotton over the past year. Under law, the Agriculture Dept. can place prices anywhere within the 70% to 90% range.

Equally important, 1961 support techniques will automatically eliminate last year's windfall gain which allowed domestic buyers to get cotton at 3¢/lb. under support levels. In 1961 they'll have to pay some 4¢ to 5¢/lb. above the loan rate if they want to obtain government cotton.

New Discounting Cuts Zinc Prices For the Third Time Within a Month

New York—St. Joseph Lead Co. gave the already weakened zinc market another jolt last week by announcing a \$10/ton discount on all grades of zinc, from the established St. Louis base price.

The discount lops still another 1/2¢/lb. from the price of zinc, which leveled off at 12¢/lb three weeks ago, after a two-step reduction of 1¢/lb.

St. Joseph said it made the move to counter discounts of 1/4¢-1/2¢ already being offered by domestic manufacturers. "A third to half of our customers have told us that these discounts were available," a company spokesman said. "We merely brought it out in the form of a policy."

The action caught other zinc producers by surprise. Asked whether his company would follow suit, the sales manager of one large zinc firm said, "St. Joseph is forcing us into a competitive position, where we'll have to do something of the same sort."

St. Joseph said it would continue to offer its 1/2¢ discount even in the face of another price reduction. However, most industry sources agree it is unlikely that countermoves will take the form of an outright price cut.

The move also raises the possibility that general discounts may be applied to alloys as well as slab zinc. St. Joseph does not manufacture zinc alloys, but a spokesman for another company said that if the industry follows St. Joseph's lead, discounts would

probably spread over the entire spectrum of zinc products.

St. Joseph said that the discounts would apply to mixed carloads if requested, though its customers currently do not ask for shipment of different grades in the same carlots.

Current posted zinc slab prices for the two most commonly used grades are: prime western, 12¢/lb. (East St. Louis), special high grade, 13 1/2¢/lb. (delivered).

Speculative Buying Pushes Steel Scrap Price Up

Pittsburgh—Steel scrap prices took a turn upward last week with hikes of up to \$5.60 reported in some grades.

The rises were set off by speculative buying by brokers in anticipation of a pickup in steel production plus increased foreign demand. However, prices were still below levels of a year ago.

Here are some selected scrap prices as reported from various areas:

• **Pittsburgh.** No. 1 heavy melting scrap was sold to a steel

mill for \$30 a ton, a \$3 increase over the November price. Late last summer the price of this key grade fell \$4 to \$27/ton, in contrast to its \$42 price this time last year.

No. 1 industrial bundles were reportedly sold to brokers at \$34.70/ton by an auto body stamping plant. This compares to prices ranging from \$29.15 to \$29.75 at the end of November.

• **Chicago.** No. 1 heavy melting grade showed increases of \$2, bringing the price to \$30/ton,

the highest since last October. An auto stamping plant sold No. 1 factory bundles at prices up to \$5.60 higher than previously, or \$32.19/ton.

• **Cleveland.** No. 1 industrial bundles showed increases of \$5 to \$5.50 a ton, for example: A major automobile stamping plant sold 8,000 tons at \$31.75, a hike of \$5.50 over the previous sale.

• **Detroit.** No. 1 industrial bundles were up \$5 from a month ago at \$31.50 on track.

Major Oil Companies Post Price Increases As Cold Weather Hits

New York—Major oil companies posted higher fuel prices ranging from 1/2¢ to 21¢/bbl. last week in many parts of the country.

Esso Standard kicked off the increases by hiking kerosene, No. 2 heating oil and diesel fuels on the Eastern Seaboard and at Gulf ports.

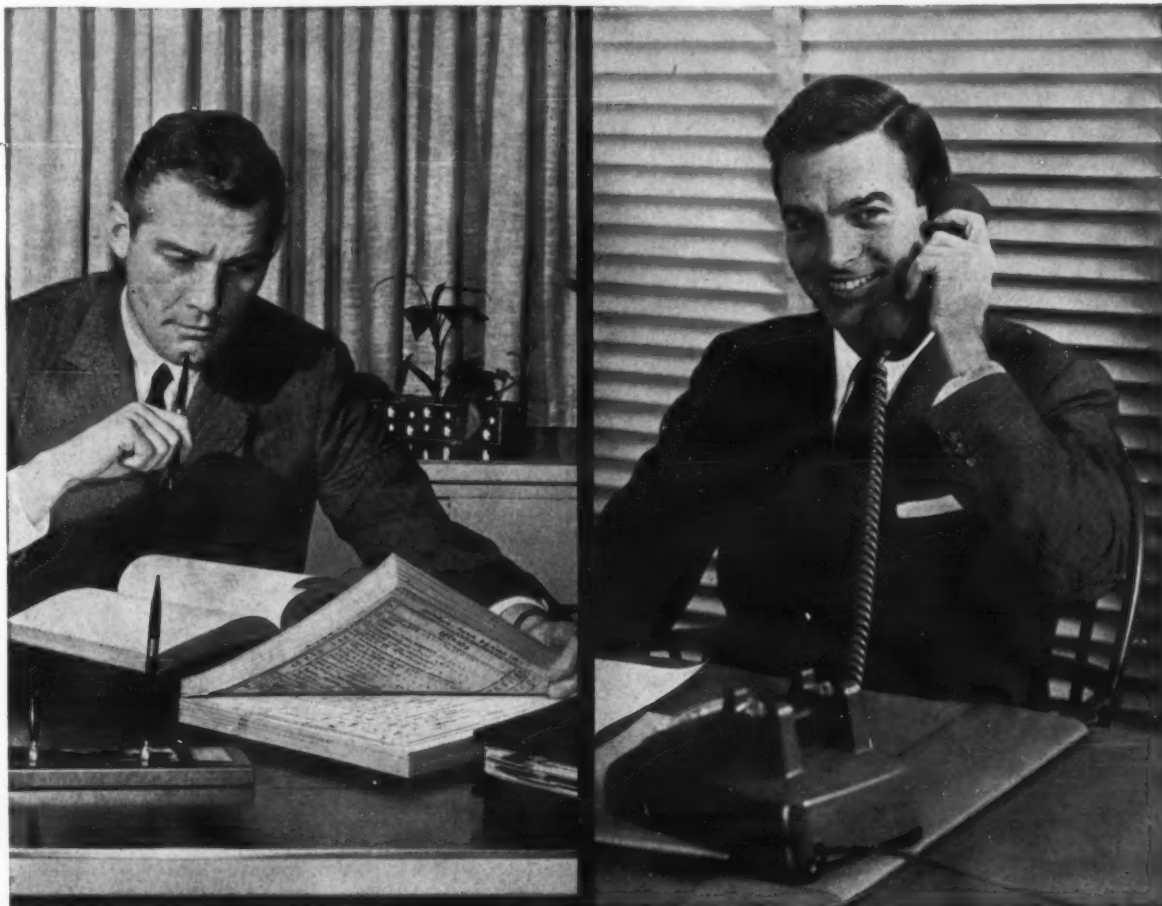
The move was quickly followed by Cities Service, Gulf, California Oil, and Sun. Mobil and Atlantic Refining were also expected to post higher schedules.

On the East Coast light marine diesel fuel rose 21¢/bbl., while at Baton Rouge and New Orleans, the increase was 13¢/bbl. Heavy marine diesel moved up 10¢ bbl. at East Coast and Gulf Ports.

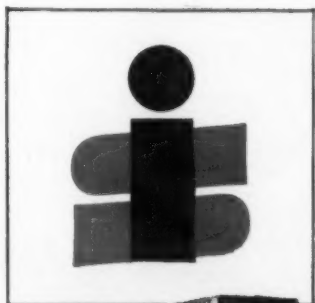
Price advances on No. 4 fuel oil generally were 16¢ bbl. along the East Coast, with the exception of Norfolk where it was 14¢. No. 5 fuel oil prices were up 16¢ at Boston; 6¢ at New York; 12¢ at Baltimore, and 4¢ at Norfolk, Wilmington, N.C., and Charleston.

Oil producers attributed the increases to cold weather, lower inventories and higher tanker rates.

The price boost was the third for the East Coast this season, but the first advance in September was wiped out by a later reduction. While the boosts placed prices at some locations above the peak of last season, Esso's new listings in some areas were below those in effect during the 1958-59 heating season.



Two ways to keep from being outclassed!



■ It's a problem. Many companies each year are "outclassed" by their freight classifications — and waste thousands of dollars in shipping costs. In many cases, their own descriptions are at fault. If you have the uncomfortable feeling that this is happening to your company, you can do one of two things. Become an expert on classification yourself by drudging study of the "National Motor Freight Classification" manual. That's the hard way, as you well know.

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INTERSTATE SYSTEM

MORE THAN A TRUCK LINE . . . A TRANSPORTATION SYSTEM

Washington Perspective

JAN. 9-15

Congress will go along with Kennedy's desire to give the economy a shot in the arm. Opening maneuvers of the session show that Speaker Rayburn and Vice President-elect Johnson still are in charge. Conservative though they may be, they agree wholeheartedly with the Kennedy thesis that killing the recession is the first order of business.

Notoriously slow in getting started, Congress—prodded by Rayburn, Johnson, and Senate Majority Leader Mansfield—will move a little faster than usual this year on at least two measures.

- It is almost certain to approve federal funds to extend unemployment payments for jobless who have run out of benefits.

- It also will vote a substantial sum to help chronically depressed areas.

Of almost equal importance to the Administration will be a measure to boost the federal minimum wage to \$1.25 an hour. There will be considerable organized opposition to this, and Kennedy may settle for an immediate boost to \$1.15, with the rest coming later. But he plans to stand firm on bringing some 4-million retail and service workers under the law.

Top priority is given aid to depressed areas by Kennedy. He emphasized this by insisting that it be the first bill introduced in the new Senate. It calls for creation of a \$369-million fund, \$300-million of which would be available to states and communities in the form of low-interest loans to attract new industries. It also would double the distribution of surplus foods in areas of high unemployment.

Not included in this measure—but being considered for future action—is a proposal by Sen. Paul Douglas (D-Ill.) to set up regional development commissions, perhaps along TVA lines. Douglas headed the Kennedy task force on depressed areas.

Such a far-reaching proposal may never reach Congress if the "quickie" loans achieve their purpose of bringing new industries to hard-hit areas. Douglas suggests that a commission be established first along the 11-state Appalachian range to be used as an experiment and serve as a model for others to follow.

No special proposals are included in the Douglas report. But the comprehensive development programs presumably would include public power projects along with the development of water resources, highways and various natural resources.

Federal funds for school construction also is high on the Kennedy priority list. Certain to emerge fairly early from Congress will be a measure to allocate, say, \$2-billion in federal funds for classroom construction over either two or four years.

Kennedy plans to ask Congress to let the states, at their discretion, use part of this money for teachers' salaries. But the House will not stand still for this. Rayburn already has openly disagreed with the President-elect on this issue.

The depressed housing industry will get a boost from an omnibus bill that will be pushed hard. The normal vigorous opposition in Congress probably will be missing this year since housing is one of the real soft spots in the economy and affects many industries.

Included in the initial housing bill will be an extra \$4-billion for the FHA in its mortgage-guarantee program, \$500-million for college housing and perhaps \$350-million to \$500-million for urban renewal.

If the recession deepens between now and, say, March 1, Kennedy is likely to seek an emergency \$1-billion housing fund similar to the one Congress approved during the 1957-58 recession.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	1,103	1,325*	2,641
Auto, units	93,414	121,179*	141,250
Trucks, units	16,804	20,447*	23,761
Crude runs, thous bbl, daily aver	8,245	8,009	8,369
Distillate fuel oil, thous bbl	13,707	13,437	14,129
Residual fuel oil, thous bbl	6,706	6,377	6,939
Gasoline, thous bbl	30,058	29,199	29,613
Petroleum refineries operating rate, %	83.4	81.0	86.1
Container board, tons	NA	138,631	NA
Boxboard, tons	NA	90,012	NA
Paper operating rate, %	73.6	92.3*	62.5
Lumber, thous of board ft	179,612	200,386	181,591
Bituminous coal, daily aver thous tons	1,258	1,223*	1,370
Electric power, million kilowatt hours	13,956	15,114	13,565
Eng const awards, mil \$ Eng News-Rec	407.7	299.5	231.4

*Revised

Antitrusters Enlist P.A. Aid to Fight Identical Bids

(Continued from page 1)

the P.A. committee include Richard Peal of New Hampshire and Willis Holding of North Carolina.

The plan is to talk about establishing more or less formal procedures for exchanging information on identical bidding between states and the federal government along the lines which Asst. Atty. Gen. Robert A. Bicks has suggested several times.

Magnuson said, "The purchasing agents are especially interested in learning to what extent states can benefit from favorable decisions obtained by the Federal government in damage suits."

Under antitrust laws, states, cities and private utilities can sue for triple damages suffered as a result of proven antitrust violations. The federal government, however, can sue only for actual damages.

Looks for Clearing House

While noting that a formal agenda for the meeting has not yet been set, Peale said he hoped it would result in proposals for some form of clearing house to facilitate the exchange of information on possible identical bidding or collusion between suppliers.

"This would be of great help to the various State purchasing agents and at the time assist State and Federal law enforcement agencies with additional evidence for use in antitrust suits," Peale said.

"Such a clearing house could be organized under the auspices of the Council of State Governments, thus eliminating the need for each state to appropriate separate funds to form a new agency."

Will Take Time

The third member of the committee, Holding, agreed with the clearing house idea, but predicted that it would be some time before the plan could become operative. "However, our committee hopes to be able to present the NASPO with some concrete recommendations in the form of a resolution at the association's next annual meeting in October," he stated.

The meeting is being arranged through the Council of State Governments, which acts as secretariat for both organizations.

Closer Cooperation

The idea of closer cooperative in identical bidding cases between the federal and state governments is a favorite one of Bicks. Last September, he spoke at a Kennebunkport, Me., meeting of the state purchasing officials and outlined in some detail how closer cooperation between state and federal law agencies would help stamp out identical bidding. "The course of antitrust enforcement tends to be plotted by the flow of intelligence in the form of complaints from the public generally and from injured parties in particular," Bicks said then.

He also stressed that prosecution of identical bidding tended to bring prices down and cited a couple of sample cases where federal prosecution resulted in almost immediate price cuts and savings to the government.

Bicks said a "substantial volume" of state buying is probably affected by identical bidding, and

he added the detection of these illegal agreements would be "enhanced by supplementing the Federal Government system of reporting identical bids with a similar system of state government reports."

Conferences throughout the year between Antitrust Division lawyers and state attorneys-general, he said, were "exceedingly fruitful in stimulating enforcement of state antitrust laws."

Two-State Crackdown

Meanwhile, as part of the general war against price fixing, New York and California are cracking down on producers and distributors of chlorine.

California Atty. Gen. Stanley Mosk has charged two producers and eight of their distributors with conspiracy to fix chlorine prices and allocate public business on liquid chlorine among themselves. The complaint also seeks treble damages in the amount of \$6,258 for excessive prices charged to the state.

In New York, nine companies consented to an order enjoining

them from price fixing and conspiracy to allocate territories in which they sell liquid chlorine to town, city, and state agencies. The defendants paid a total of \$20,000 in costs to the state it was reported.

Companies named in the California case are: Tops Chemical Co., John Wiley Jones Co., Braun Chemical Co., L. H. Butcher Co., E. S. Browning and Co., Wholesale Supply Co., Western Chemical & Mfg. Co., Los Angeles Chemical Co., McKesson & Robbins, Hill Bros. Chemical Co., all of California.

New York Companies

Those consenting to the New York order were: Allied Chemical Corp., New York; Hooker Chemical Corp., New York; Jones Chemical, Inc., Caledonia; Monarch Chemicals, Utica; Eastern Chemicals, Inc., Rensselaer; Collier Chemicals, Binghamton; S. H. Ireland Chemical Co., Johnstown; Stedford Chemical Corp., Fayetteville; and Slack Chemical Co., Carthage, all operating in New York State.

Philadelphia Fires 4 Employees Involved in Car Trade-In Deals

Philadelphia—Four city employees have been fired as the result of "miscalculations" over fleet car trade-in values which cost the city \$38,633.

The auto company involved has been barred from doing business with the city, in the "irregularities" which has led the city to drop trade-ins in favor of auction sales when it comes to disposing of vehicles.

Four Fired

The four employees, all in the Department of Public Property, were fired for "gross negligence" and "deviation from accepted procedures," following an official report by city controller Alexander Hemphill.

The case involved the trade-in of 318 automobiles to Ogontz Sales & Service, Inc. The controller's probe indicated the following irregularities:

- Backdated claims, removal of city fleet vehicles from city custody without authorization, er-

roneous awards for damages in re-appraisals, false damage statements, altered documents, unusual re-evaluation of damage claims and possible deliberate damage to cars to boost depreciation claims.

The investigation showed that autos originally appraised for trade in at \$482 each were actually traded in for as little as \$35.

Though the city states that its new policy of direct selling of used cars does away with the possibility of this happening again, a City Hall spokesman told PURCHASING WEEK that the city still trades in certain other non-automotive equipment such as typewriters and office equipment.

Antitrusters File Suit Against Eight Makers Of Office Furniture

Washington — The Justice Dept. has filed three civil suits charging eight office furniture makers with conspiring to fix prices in the sale of metal office furniture. The charges are similar to those made in criminal indictments handed down in early December in Buffalo.

Defendants in the major complaint are General Fireproofing Co., Globe-Wernicke Co., Shaw-Walker Co., Yawman & Erbe Mfg. Co., Art Metal, Inc., Steelcase, Inc., Sperry Rand Corp. and all-steel equipment, Inc.

The government asked that the companies be enjoined from continuing alleged illegal practices and that the court order them to publish new price lists.

In a separate action, the Justice Dept. filed civil charges against the northern California Pharmaceutical Assn., claiming the association, its officers, directors and members conspired to adopt uniform price schedules for prescription drugs. A criminal indictment making similar charges was filed against the same association Dec. 14.

FTC Charges Salt Firm Violated Antitrust Act

Washington — The Federal Trade Commission has challenged two acquisitions by Leslie Salt Co., San Francisco, charging the transactions lessened competition in Western states in the production of evaporated salt and rock salt.

The Leslie acquisitions under fire by the commission are Deseret Salt Co., Salt Lake City, a producer of evaporated salt from brine taken from the Great Salt Lake, and California Salt Co., Los Angeles, a maker of rock salt.

Leslie's acquisition of Deseret tended to lessen competition in sales of evaporated salt, and violated the Clayton Antitrust Act, the commission charged.

The FTC claimed the California salt transaction gave Leslie an unfair competition advantage over other rock salt producers.

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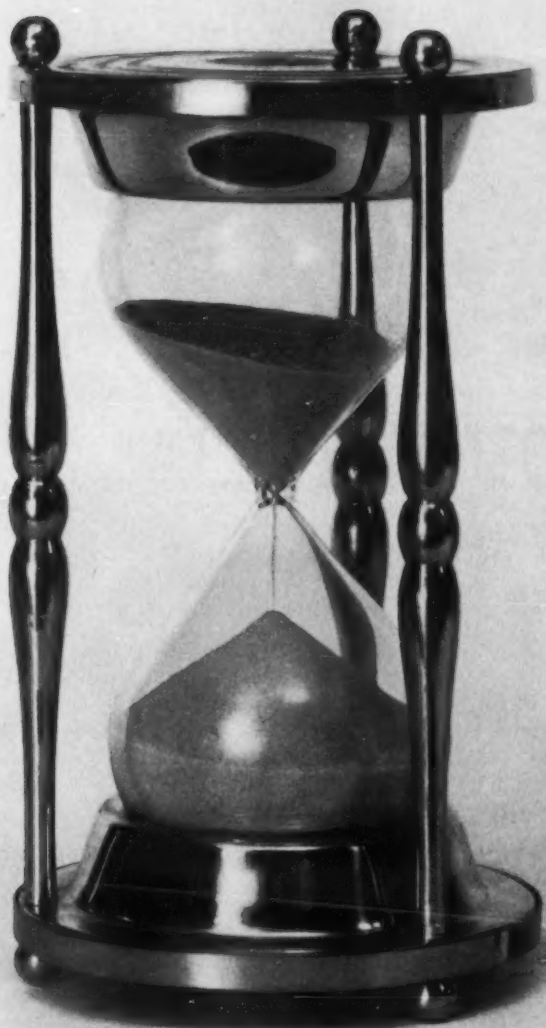
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CAB Plans New Formula for Subsidies to Airlines

Washington—The Civil Aeronautics Board is planning to use a new rate formula for distributing federal subsidies to regional airlines with an eye toward making them more efficient and ending the handouts in 10 years.

The new formula calls for specific subsidy rates based on the number of miles flown and other operating factors which apply to all 13 local lines. The CAB has drawn up the rates on the basis of current average operating performance. If a line can reduce its costs or increase its income it still

will get its subsidy because the formula is based on miles flown not on the size of the losses.

The system also protects the government in the event of an improvement in a line's financial standing. If revenues plus its "class rate" are great enough to cover costs plus a "fair" return on investment, the line will have to pay the government a rebate on the subsidy. The CAB recently ruled 10% a "fair" investment return.

The rate formula divides the lines into four groups based on

the size of the route systems. The rate ranges from 3.05¢ per mile per seat for each city served to 1.9¢ per mile. Subsidies will be calculated monthly. The system will go into effect this month, retroactive to Jan. 1.

This fiscal year, CAB subsidies to 13 local airlines will total about \$56.5-million. Payments to each line range from \$4-million to \$8-million.

At present subsidies have been estimated for each line to cover their operating deficits and allow a fair return on investments.

Joint Congressional Committee Sees Potential Want of Space-Age Metals

Washington—A warning of potential shortages of nine space-age metals in the years ahead has been sounded by the Joint Congressional Committee on Defense Production.

The metals are tantalum, columbium, molybdenum, bismuth, titanium, tellurium, platinum, palladium, and hafnium. Consumption of these materials for missile and space vehicle applications now runs essentially on experimental rates, the committee

said. But "significantly larger amounts" are likely to be used in the near future as applications are refined.

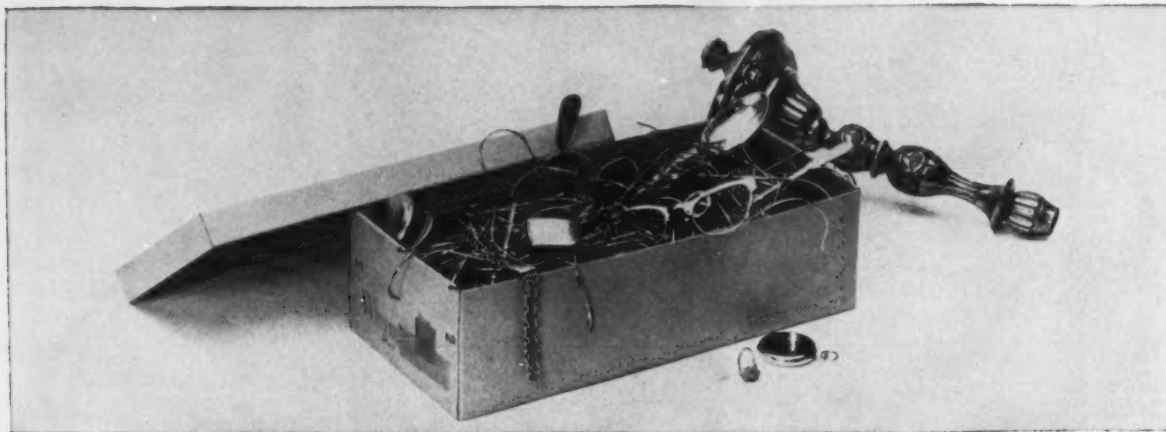
The committee based its report on information provided by the Interior Dept. The committee steered clear of specific recommendations on what the government should do about the potential scarcity and called only for an "over-all program to assure that the nation will have sufficient metals and minerals, particularly in the area of missile and space requirements."

The report undoubtedly will be used by mining interests to push for new subsidy and increased stockpiling programs.

Metals cited by the committee have been covered in the past by government programs aimed to spur expansion of mining and processing facilities. But the programs have slowed down in recent years. The titanium expansion program, for instance, was scaled down when defense requirements for the new metal failed to come up to initial estimates.

Advisors to President-elect Kennedy have mentioned the possibility of increased stockpiling of certain finished products. But there's been little serious talk of accelerated stockpiling for raw materials.

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Value is what we're talking about. There isn't a soul alive who would knowingly throw away a gold or silver or platinum watch case or pin or eyeglass frame. Because they're *worth money*. This sense of value is responsible for a considerable part of Handy & Harman's Refining activity. Constantly, we are sent precious metal scrap from retail jewelers all over the country. (Yes, often in shoe boxes.)

And just as constantly we wish that industry had the same sense of value when it comes to their precious metal "waste." Just because it doesn't *look* like anything doesn't mean that it isn't *worth* something.

To show you where profits lurk, we've included a list showing the various forms of precious metal waste.

It is by no means complete (it is possible that you have other forms). May we suggest that—should you be in doubt—you contact the Handy & Harman Refining Center nearest you. Further, if you are not in doubt about your waste bearing precious metals, but you are (or have been) in doubt as to its full value, it will profit you to send it to us. Our Bulletin 24 describes our Refining Division in detail. A copy awaits you at

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Nitrate
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Silver Steel Turnings
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JACKSON 1-4100

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SEely 3-1234

New Haven Line Offers 'Warehouse in Transit' To Win Over Shippers

New York—The New Haven Railroad is offering a "warehouse-in-transit" as an inducement to shippers to use multiple car movements and heavier loadings.

Under the plan, the shipper sends his goods at low bulk rates to points along the New Haven Line, where the goods are placed in commercial warehouses ready for local delivery as needed.

The new system, together with a plan for a new series of rates covering weights between less-than-carload and carload minimums, is part of a new drive to improve service and stimulate business for the Eastern carrier. The new rates would be designed for shippers who do not have boxcar volume, but for whom LCL rates have been too high.

The line also has launched an advertising campaign promoting special rates for volume shippers.

George Alpert, president of the New Haven, also has written heads of major freight shipping firms urging them to cooperate in the New Haven's efforts to secure more business.

AMA Purchasing Clinics

New York—The American Management Assn. will tackle the problem of "How to Develop a Company Purchasing Policy Manual" in a series of weekly clinics.

F. Albert Hayes, materials management counselor and PURCHASING WEEK consulting editor, will be chairman of the clinics, which will be held on six successive Thursday evenings beginning Jan. 19.

Japanese Steel Industry Cuts Prices In Move to Strengthen World Markets

Tokyo—The Japanese steel industry, fearing a decline in its 1961 exports, is preparing a drive to match the 2.5-million tons of steel worth \$247-million which it exported in 1960.

The principal weapon: price. In all, a 15% price drop is expected in 1961 in an effort to hold on to world markets, particularly the U.S. Latest price cuts on sheet last week were galvanized, 2/metric ton; hot rolled, \$3; cold rolled, \$5. Other reductions: \$1 on wire rods, \$2 on nails.

Other moves also will be made in 1961 to improve the health of the country's industry:

• **Expansion.** Japan's largest steel producer, Yawata Iron & Steel Co., Ltd., this month completed its second five-year modernization and expansion program. This included construction of Japan's two largest 1,500 T/C blast furnaces, three 60 T/C oxygen converters, and other facilities.

• **New financing.** Two Japanese steel companies last week announced loans totaling \$22.8-million. Sumitomo Metal Industries, Ltd., borrowed \$7-million from the World Bank and sold \$5.8-million of 7½% notes. Kawasaki Steel Corp. borrowed \$6-million from the World Bank and placed \$4-million in notes. Sumitomo accounts for 6% of Japan's rolled steel products, Kawasaki 7%-9%.

Steel 10% of Exports

Japan hopes to maintain steel exports at the whopping 1960 level, up 40% over 1959, even though it expects dollar totals to decline as a result of its chopping of world prices. Steel exports accounted for 10% of Japan's total exports in 1960, and for the first time exceeded cotton fabrics and shipbuilding, which have been Japan's largest export products.

The industry will concentrate its efforts on the U.S. market, which took 656,000 tons of Japanese steel products worth \$100-million in 1959 (year of the steel strike) and about 600,000 tons, also worth \$100-million, in 1960.

Difficulties

However, the U.S. dollar-saving policy will unquestionably put a crimp in Japan's steel export plans. In addition, there are these difficulties:

• European competition is expected to grow stiffer in 1961.

• Japan may lose some of its Southeast Asian markets where 50% of its steel exports go.

As for its domestic market, Japan's steel demand has increased 15% per year over the last ten years, from 4-million tons to over 15-million. With total production at a record high of 16.6-million tons in 1959, Japan became the world's fifth largest steel producer, outranking France.

In addition to Japan's own rapid postwar economic recovery, three factors have contributed to this growth:

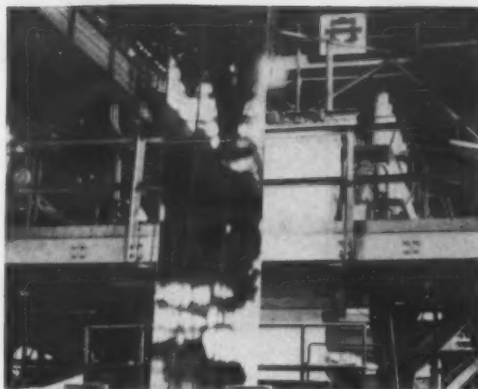
(1) Heavy capital investment.

Two government-sponsored programs for expansion of Japanese iron and steel industry were financed at 8%-10% of total

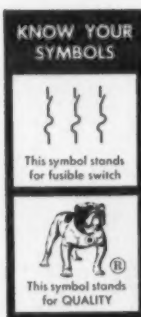
the capital investment in industry.

(2) **Overseas loans.** Since 1955, major Japanese steel firms have received loans amounting to \$200-million from the World Bank and the U.S. Export-Import Bank.

(3) **Technical help from other countries.** First introduction of new techniques was a strip mill system from Armco International Corp. in 1951, applied by Fuji Iron & Steel Co. and Yawata. Other developments followed.



EXPANDING JAPANESE STEEL INDUSTRY is exemplified by Tobata Works of Yawata Iron & Steel Co. No. 1. galvanizing line at newly completed works is shown at left. Right: Cold strip mill. Japanese hope expansion and low prices will enable them to hold world markets despite recent curbs on U. S. dollar drain.



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How Key Scrap Prices Fell in 1960

	JAN PRICE	DEC. % CHANGE
Steel Scrap No. 1 Hu. Pitts.....	42.00\$/ton	27.00 —34%
Steel Scrap No. 1 Hu. Chic.....	40.00\$/ton	27.00 —32%
No. 1 Copper Wire, lb.....	25.50 c/lb.	21.75 —15%
No. 2 Copper Wire, lb.....	26.50 c/lb.	23.00 —13%
Heavy Yellow Brass, Mixed.....	13.00 c/lb.	11.50 —12%
Cast Aluminum Mixed.....	11.00 c/lb.	9.00 —18%
Aluminum crankcases.....	11.00 c/lb.	8.50 —23%
Aluminum clips, new soft.....	15.00 c/lb.	11.50 —23%

Dealers See Scrap Metal Prices Bottoming Out

New York — "Metal scrap prices are so weak they barely reached 1961." This is how one nonferrous scrap dealer summed up current depressed market conditions for scrap metal.

And—except for some firming expected in steel scrap tags—no price pickup for these important raw materials is anticipated in the near future. The following roundup fills in the picture for the major metal scrap categories.

As the table at left shows steel scrap prices fell more than 35% over the past year. The

reason was, of course, the decline in finished steel production.

But dealers feel that their low point was reached late in 1960. Many buyers apparently shared this view as indicated by reports that brokers were rushing to complete their orders before the year ended so as not to be caught by any price increase. Result: prices did firm, with scattered increases posted throughout the country.

Scrap suppliers expect to add to their year-end price gains in the early months of 1961 because:

• The low prices being paid for scrap is bringing forth only a thin supply of offerings.

• Foreign demand has been very strong for steel scrap and the industry looks for it to continue. In mid-December exports were heavy enough to raise scrap prices in Boston and San Francisco.

• Cost cutting efforts by steel mills and foundries are expected to continue the recent trend of increasing the percentage of scrap smelted as opposed to pig iron. These moves would tend to boost scrap consumption, despite the continued low steel operating rate.

Price increases in early 1961, if any, will probably be small, most observers say. That's because the export rate is not expected to hold at the record 6-million tons estimated for 1960. Barring an unexpected surge in domestic steel consumption, the supply of scrap forthcoming at close to current prices should be adequate.

Copper Weak in Dec.

Copper scrap prices weakened in late December as domestic demand continued to ebb. The Bellwether No. 2 grade closed the year at 23¼¢/lb.—13% below its Jan., 1960 level.

The year-end easing reversed a brief firming trend—caused by strong foreign demand—which had brought No. 2 copper scrap up to 24¢/lb. The overseas interest stemmed not only from the booming copper production, but also from such arrangements as Japan's high duty on incoming refined copper which made it pay her fabricators to import scrap instead.

The outlook is for copper scrap prices to hover near current levels. Even if domestic demand picks up, export sales are expected to slow down in the first quarter. At the same time, the low supply of copper scrap coming into the yards should keep these prices from dropping significantly.

Aluminum Scrap Down

Mounting aluminum ingot inventories cut down the demand for aluminum scrap, despite the relatively high level of export tonnage. Result: Aluminum scrap prices showed a steady downward drift through the fourth quarter of 1960.

The situation is aggravated by the scrap accumulations of big producers who agree to buy back scrap—at higher than market prices—from customers to whom they sell their processed aluminum.

Price relief does not seem to be in the cards for early 1961. In fact, it's possible that further weakening may occur if exports decline enough to increase the supply available to domestic smelters.

General Acquires Grant

Binghamton, N.Y.—General Aniline & Film Corp. has acquired Grant Photo Products, Inc., Cleveland industrial and photographic firm. The purchase price was not disclosed. The firm will be operated by GAF's Ansco Division.

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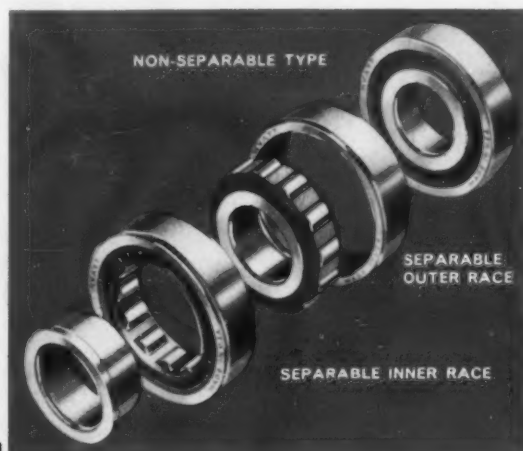
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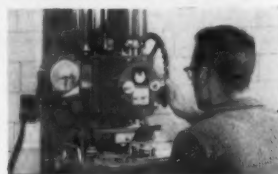
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Commerce Data Show Inventory Cuts Hurt Sales

New York—Inventory paring by purchasing executives continues to play havoc with manufacturers' sales and orders. Thus, some three-quarters of the November order decline can be accounted for by inventory retrenchment.

That's the major finding in the latest Dept. of Commerce report which shows November inventories, orders, and sales all falling below summer and early autumn levels.

The stock paring picture becomes clear when you split hard goods inventories into "purchased materials" and "finished goods".

The former—representing materials needed for production—are down to \$7.9-billion from the \$8.8-billion high of last April and May.

Little Change in Finished Goods

The other side of the inventory picture—finished goods (goods already off the production line)—shows little change from the previous month. It indicates that production cutbacks have been bringing output more in line with actual shipments.

But that is little solace for hard goods manufacturers who now report their incoming business at the lowest point in over two years. The current level of their orders (\$13.47-billion) reveals a decline of about 9% from early 1960 highs.

Equally important, these disappointing figures have remained below sales for ten out of the last twelve months. Result: Hard goods backlogs, at \$42.9-billion, are a whopping \$5.4-billion below a year ago levels.

A somewhat better year to year comparison shows up for sales, which are still running \$1-billion above year ago rates.

But a good deal of this is due to the fact that much of American industry was tied up with the steel strike in late 1959.

A more meaningful comparison—between current sales and month ago rates—shows a 1% decline—mainly accounted for by a sharp drop in the auto manufacturing and electrical machinery industries.

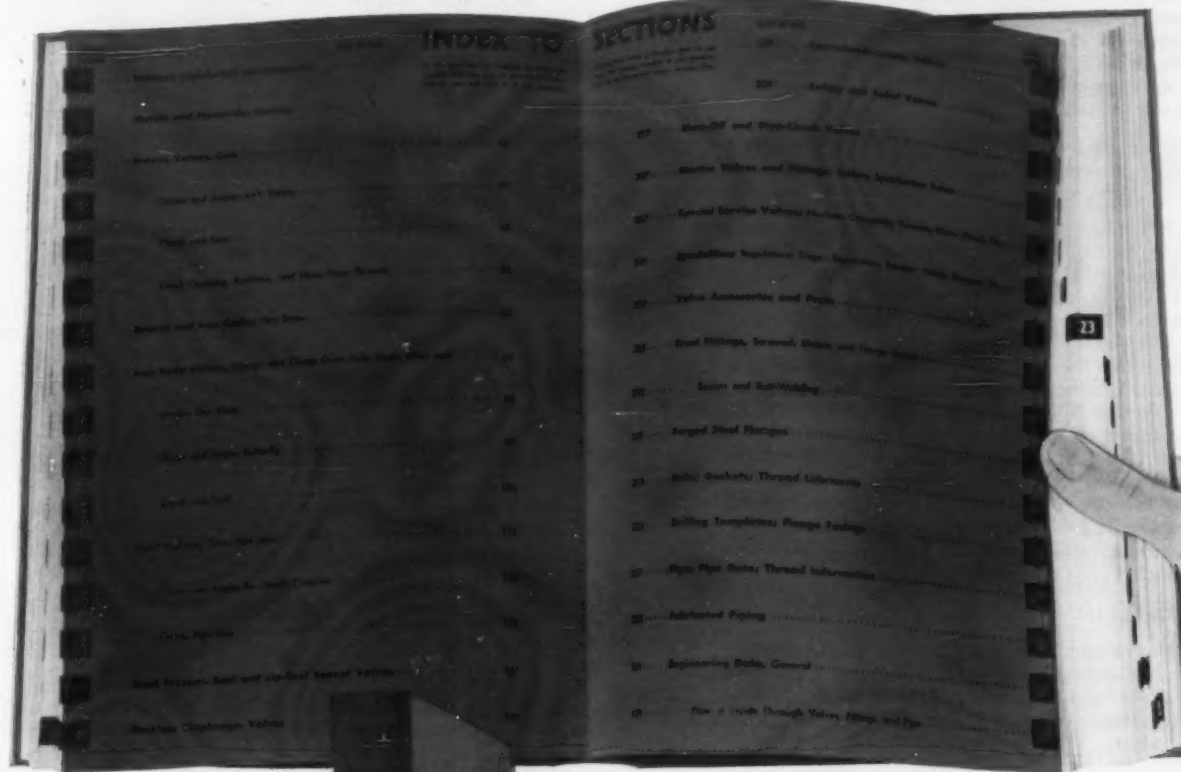
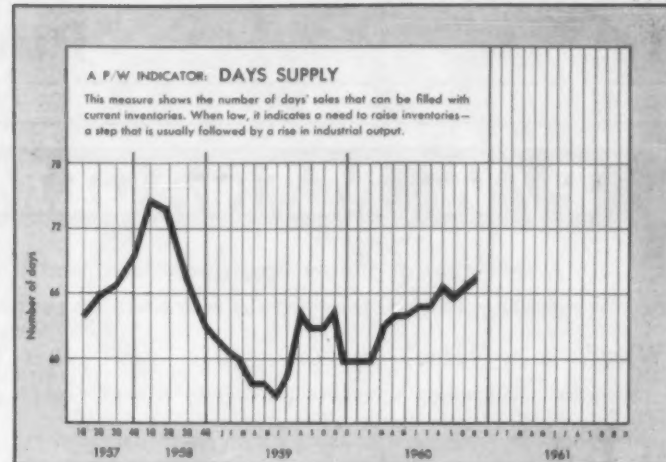
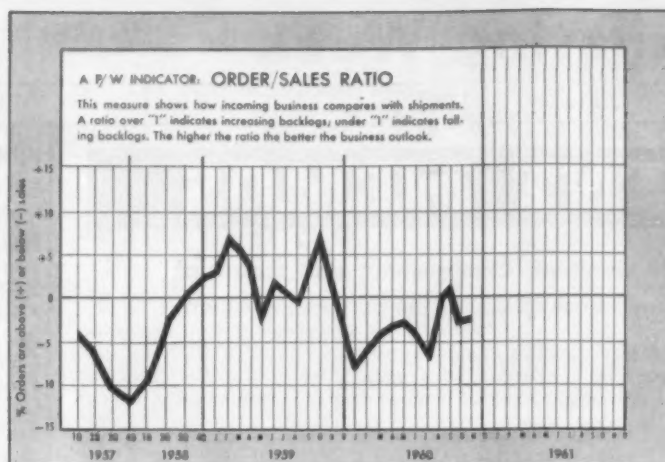
Continental Oil Opens Up New Louisiana Pipelines

Houston—Continental Oil Co. has put two new pipelines into operation in Louisiana.

One line extends 65 miles—from the Maurice-Milton area east of Mermentau, La., to the firm's natural gasoline plant near Lake Charles; the other, 8 miles—from that plant to the Lake Charles refinery.

The 65-mile (16-in.) pipeline has a daily capacity of 200 million cu. ft. The eight mile line, which will carry residue gas to the refinery and industrial customers, has a daily capacity of 300-million cu. ft.

Conoco also has a \$2-million expansion program in progress at its Lake Charles natural gasoline plant, which is expected to be completed late this month. When completed it will raise daily gas processing capacity from 100-million to 150-million cu. ft.



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P/W MANAGEMENT MEMOS

A collection of timely tips, quotations, and inside slants on management and industrial developments, along with a run-down of events and trends of use to the purchasing agent.

What's In a Name?

Students of corporate semantics are having a hard time figuring out what's behind the gaudy job titles that are blossoming out crazily all over the organization chart these days. The trouble is that in the drive to upgrade everyone (by bestowing fancy titles on them) executives are losing sight of the actual job function and making it increasingly difficult to assess a man's place in the firm by his official designation.

To restore the old hierarchic arrangement, Edward H. Hays & Associates, Philadelphia management consultants, suggests all upper level jobs should be classified according to the amount of responsibility called for. Once this is done, it's fairly easy to assess a man's proper place without regard to job title.

To clarify some of the confusion, Hays sets up three broad job categories and distinguishes between them according to their level of responsibility:

- A supervisor tells people what to do and how to do it. His responsibility is limited to a specific task—usually a small part of the big goal. This relationship is illustrated by a buyer and his assistants.
- A manager transmits his orders in fairly specific terms through his subordinates. They may be assigned different tasks, but are all working toward a common objective. A general purchasing agent illustrates this function.
- Administrators assign general objectives to their immediate subordinates—the managers—but give little or no consideration to the details involved in doing the job. A director of purchasing or a vice president works on these high levels of responsibility.

Back in Your Own Backyard

Companies that don't keep a good inventory of their manpower may be overlooking a rich source of executive talent, warns Lon D. Barton, president of Cadillac Associates, Inc., Chicago management recruiters.

In view of the growing shortage of managerial brains, says Barton, industry should be alert to the talent that may be lying around in its own backyard, waiting to be discovered. And the only way to do this, he points out, is by keeping a running inventory of company personnel, their skills and per-

formance. What's more the job of keeping the file up to date should be assigned to line management, who can contribute much more meaningful profiles than a personnel clerk can.

But even the most detailed and informative inventory will be worthless if the information in it can't be readily tapped by top management whenever the need arises, Barton says. One way to avoid having an inventory turn into a dead file, he points out, is to set up a manpower requisitioning system. The U.S. Army and such industrial giants as General Electric Co., have them, complete with IBM cards and data processing equipment.

Stranger Than Fiction

One of the best kept secrets of the late Presidential campaign, it turns out, was the key role played in the strategy of the Kennedy camp by an electronic politician called the "Simulatics Machine." This computer forecast voter responses to hypothetical situations with uncanny accuracy and even suggested the right campaign strategies. This was done by mathematically simulating voters and their response to campaign appeals.

The whole story is told in the current issue of Harper's magazine by Thomas B. Morgan, a former editor on Look and Esquire magazines. The machine was developed, he reports, by a group of scientists from MIT, Yale and Columbia with funds provided by Kennedy backers. The machine went into action early in the campaign—busily forecasting, among other things, that Kennedy would come off well in his TV debates.

The scientists started by creating a mathematical model of the U.S. electorate, based on more than 100,000 past voter interviews conducted by opinion pollsters. This "simulated" electorate was then programmed into an IBM 704. By manipulating the computer, the scientists were able to predict future reactions of the voters.

What it adds up to is this: the experiment has proven that human behavior can be "simulated"—and predicted. This enables a business—or political party—to run its strategies through the machine and test them in advance, without actually committing themselves to a risky big investment on the lengthy and expensive process of polling. The success of the "Simulatics Machine" in the election is sure to spur more business applications of simulation. And the braintrusts have formed a company, the Simulatics Corp. to carry on the service.

PURCHASING PARADE

AMATEUR ACTOR: As seen in the photo on the right in the lead role of Gilbert and Sullivan's "The Mikado," you'd never suspect that this Mikado is a P.A. of 12 years, bowler, and golfer.

Off-stage he's known as **Robert McKay, P.A. for Snyder Mfg. Co.** (Philadelphia), and is one of that area's better-known amateurs.

Acting and directing in little theatres has been a favorite hobby of McKay's for over 20 years. He's portrayed more than 10 roles with the Academy Old Players and as a result, his wife—**Doris**—also has become active in shows put on by the little theatre.

Here's a group of P.A.'s who recently turned from purchasing to penguins:

The P.A. Association of Oregon was entertained at its dinner-meeting on December 13 by Jack Marks, Superintendent of the Portland Zoological Gardens, with his talk and slides of his adventures in the Antarctic.

Marks has made two chilly expeditions there under U.S. Navy sponsorship to bring back Emperor penguins for the Portland Zoo. This is the first time the big formally-dressed Emperors



have been successfully transplanted from their South Pole habitat.

William H. Mansfield, new Director of Purchases, Plumbing and Heating Division, American-Standard Corp.

Personal glimpses of P.A.'s as they march by in the news

(New York), is also part-time teacher.

For the past two years, Mansfield has been teaching the 7th grade Sunday School class at his church in Packanack Lake, Wayne, N. J., and thoroughly enjoys it.

As Mansfield puts it, "We're learning together." He and his wife, **Isabel**, have three children students of their own—**Carolyn, Bill, Jr., and Mary Lou.**

A pretty P.A. with a title just as attractive is **Rhoda M. Stewart** who's recently added another feather in her cap—a vice presidency.

Mrs. Stewart is now Vice President and Manager of Purchasing, Traffic and Personnel of the Marbon Chemical Division, Borg-Warner Corp. (Washington, W. Va.)

Her job keeps her so busy that she has little time for anything else. She's traveled extensively to Europe and Mexico, and to Gary, Indiana, where she has her home and husband.

She devotes a good deal of her time and energies "trying to get women to be recognized in the field of purchasing" and on national work for women in purchasing. She is also president of the Women's Division of the P.A.'s Assn. of Chicago.

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PURCHASING WEEK Asks

What safeguards can you set up to prevent price information from leaking to competitors?

Question asked by: E. B. Carlson, Purchasing Agent
Erie Electric Mfg. Corp., Erie, Pa.

J. R. Berg, purchasing agent, Buffalo Steel Corp., Tonawanda, N. Y.:

"First of all, procedure for obtaining quotations must be so set up that replies coming in are directed to one particular person. There is always the possibility of an undirected quotation getting into the hands of one who is not aware that the information is confidential. As a matter of procedure, you should explain to your staff the importance of maintaining ethical standards when dealing with price information and treating it as they would their own business affairs. All else failing, have the price information delivered directly to yourself and keep it under your personal control."



J. W. Moore, Jr., purchasing agent, R. H. Bouligny, Inc. (electrical contractors), Charlotte, N. C.:

"There are various methods employed, depending on the size and type of purchasing department and the relations with other departments. We feel the basic safeguards would be: (1) A purchasing department with the practice of a sound code of ethics with each above the suspicion of unethical behavior. (2) Definite policies on procedures designating those to receive competitive price information, and their responsibility in keeping it confidential."



L. H. Zahn, director of Purchasing & Package Development Div., CIBA Pharmaceutical Products, Inc., Summit, N. J.:

"On large purchases sealed quotations with the same due date, to be opened by one of the senior purchasing officers, can eliminate price leaks on the initial order. Many times a buyer's own desk unintentionally will reveal a competitor's price. When interviewing, keep all papers off your desk. Don't get trapped in the 'How high am I?' routine. The answer should be, 'Sorry, but your price is not competitive.'"



E. R. Dahl, vice president-purchasing, Melroe Mfg. Co. (agricultural machinery), Gwinner, N. D.:

"Other steps may be taken to fit a given situation, but I consider these four of prime importance: (1) Employ trustworthy personnel. (2) Inform all persons having access to price records that this information is confidential. (3) Personally make a practice of not giving out specific price information to vendors. (4) Keep price records inaccessible to vendors' sales representatives."



A. H. Belcher, supervisor of purchasing, Redstone Arsenal, Rohm & Haas Co. (nonprofit research in propellant field for U. S. Ordnance Corp.), Huntsville, Ala.

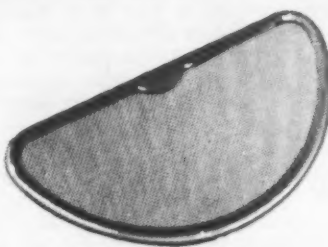
"We never reveal one company's price to another company. In cases where it is desirable for technical personnel to consult directly with a tentative supplier in the interest of selecting or developing special material, equipment or services, such meetings are arranged by the purchasing department and a buyer is present."



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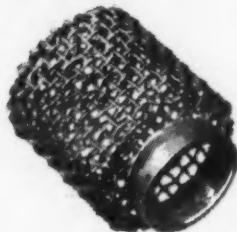


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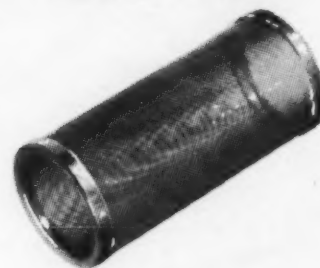
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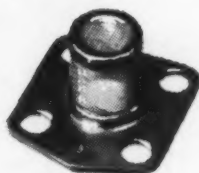
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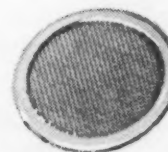
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British Reduce Chemical Prices

London—Latest series of price cuts by the British chemical industry underscores the fact that European chemical demand is reaching the saturation point.

While applicable to United Kingdom customers only, the price cuts could bring on limited export markets for U. S. chemicals and a need to intensify domestic sales efforts, trade sources agree.

Here are the price cuts: methyl methacrylate, down by \$23.80/long ton; methylene chloride, \$8.40/long ton; technical chloroform, \$56/ton; chlorinated rub-

ber, \$28/ton; trichloroethylene, \$2.80/long ton; perchloroethylene, \$14/long ton. Increased capacity for chloromethane production was cited as reason for the price cuts.

Shell Cuts Prices

Shell Chemical Co., Ltd., also made price cuts of \$28/ton in polyethylene glycol grades 200 and 400.

The price slashes follow previous cuts by Imperial and Shell as well as protests by the French Chemical industry over U. S. expansion in France.

GE Develops Diamond Over One Carat in Size

New York—General Electric Co. announced it has developed a new synthetic diamond over one carat in size at its Research Laboratory in Schenectady, N. Y.

The new diamonds are not ready for industrial application because of "structural imperfections," according to Dr. Guy Suits, director of research. The development comes just five years after General Electric Research Laboratory in Schenectady, N. Y. announced that for the first time diamonds had been made by man.

Since 1957, the company has

turned out millions of carats in diamonds for industrial use. The diamonds have been only thousandths of a carat in size. However, the company is now making diamonds up to one-tenth of a carat in size "of excellent industrial quality," Dr. Suits said. These are not yet commercially available.

"If General Electric can perfect the mechanical structure and improve the strength of its new carat-sized diamonds, the company will be able to compete with natural stones in the full indus-

trial range," said John D. Kennedy, general manager of the company's Diamond Production Business Section in Detroit.

GE also said that "uncertain conditions" in the Congo make it apparent that industry is "fortunate to be able to turn to man-made diamonds for many needs."

Meanwhile, conditions in the Congo eased somewhat with the return of workers to the diamond mine in Bakwanga, which was deserted when Lumumba forces invaded Kasai province. Now, the mine's 3,500 workers are trickling back to work along with enough of the 120 European technicians to permit operations to be resumed.

At the same time, Soviet Russia announced that a new diamond field had been located almost at the Arctic Circle, northwest of Mirny, the present center of Soviet diamond operations. Soviet sources described the find as "incomparably richer" than the Peace Pipe area in the Yakutsk Republic of Siberia, previously the richest diamond area in the USSR.

The new area was discovered in 1957 but announcement was held up pending extensive test borings. Now, Russia is ready to develop the new field and apparently is diverting scarce resources from the Mirny area to begin the job. The first mechanical equipment is expected to be operating in the remote area by next summer.

Foreign Briefs

Venezuelan Spark Plugs

Toledo, O.—Electric Autolite Co. has teamed up with the government and private investors in Venezuela to open a spark plug manufacturing plant in that country. The new plant will help Venezuela in its drive to develop its own industries by supplying the national market with three million plugs annually.

Trane Expands Overseas

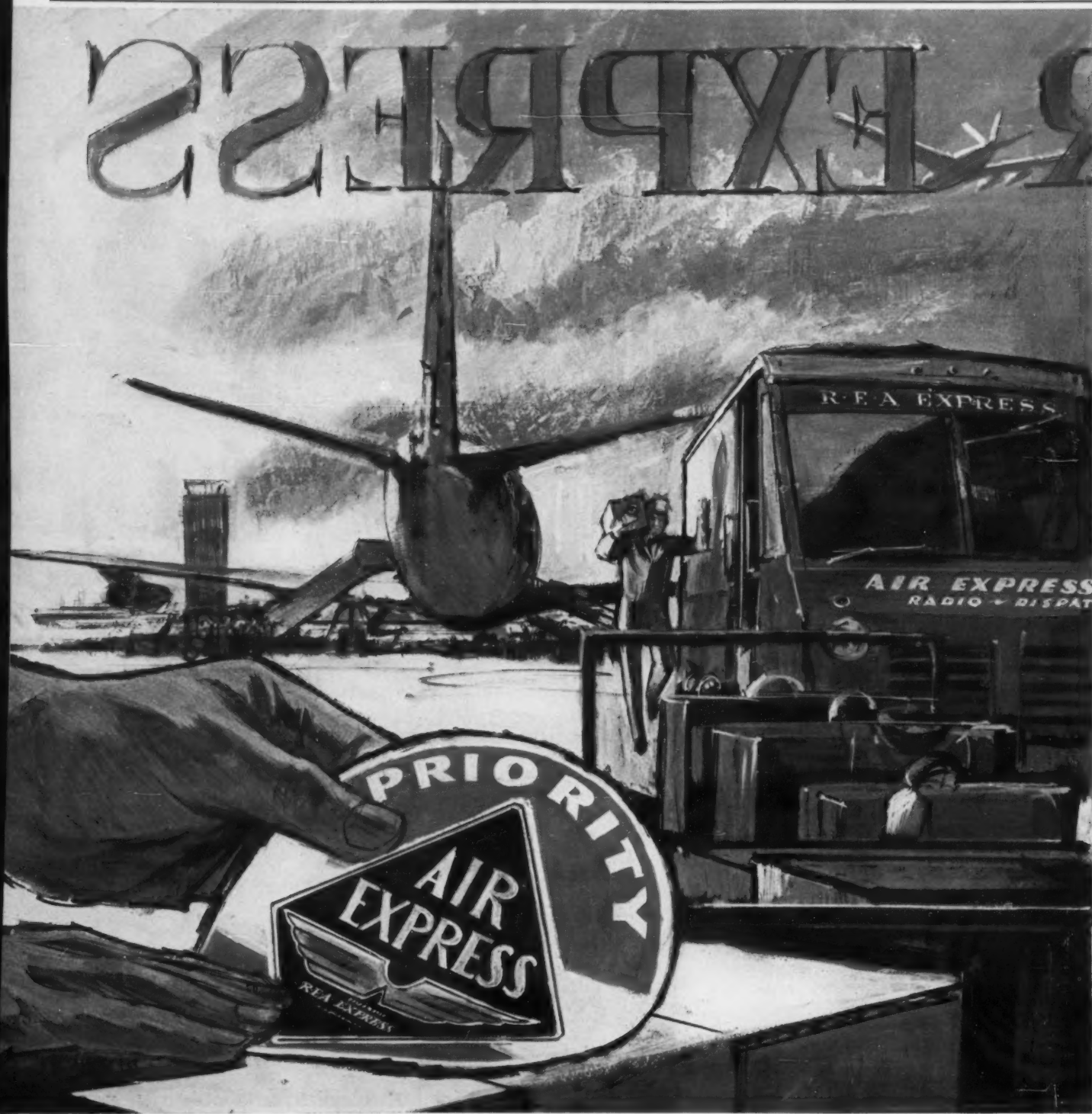
La Crosse, Wis.—Trane Co., manufacturer of electronic, heating and ventilating equipment, has stepped up its foreign operations with the creation of two subsidiaries to serve the European Common Market and the United Kingdom. The new subsidiaries are Trane S. A. in Europe and Trane Ltd. in Great Britain.

Withdraw Higher Rates

Toronto—Trucking companies in Ontario have changed their minds about hiking the rates on shipments of up to 5,000 lb. Customers have been notified that increased rates, which had been scheduled to go into effect Dec. 15, have been withdrawn. However, it is reported that highway transport carriers operating into Quebec are preparing to seek the approval of the Quebec Transport Board for higher tariffs on interprovincial traffic.

New Shipping Schedule

New Orleans—Flota Mercante Grancolombiana, South American shipping line, now is providing weekly cargo transport service from New Orleans, Houston, and Galveston to ports in Colombia, Panama and the Canal Zone.



Air Express gets your shipment first on, first off

When the AIR EXPRESS label goes on your product, it becomes a top priority shipment . . . handled with kid gloves all the way. It never waits for package accumulation; it goes out immediately and on the first plane. And it goes where the jets go—always first on, first off on all 35 scheduled U.S. airlines. It's sped from pickup point to plane and delivered at its final destination by one of 13,000 AIR EXPRESS trucks, many radio-dispatched. Just one phone call is all it takes to speed your product—large or small—to any one of 23,000 communities in all 50 states . . . by swift, dependable jet-age AIR EXPRESS.

AIR EXPRESS



CALL AIR EXPRESS DIVISION OF R-E-A EXPRESS • GETS THERE FIRST VIA U. S. SCHEDULED AIRLINES

This Changing Purchasing Profession

E. F. Andrews, director of purchases, **Allegheny Ludlum Steel Corp.**, Pittsburgh, has been elected vice president in charge of purchases for the firm. A former NAPA president, Andrews succeeds **Lester H. Bittner**, who retired. Bittner became purchasing agent for the firm when it was formed in 1936. He was named director of purchases in 1942 and vice president in charge of purchases in 1948.

William R. Loomis was named purchasing agent, **Electronics Div., P. R. Mallory & Co., Inc.**, Indianapolis. He formerly supervised the purchasing department at International Telephone & Telegraph Laboratories, Fort Wayne, Ind.

Robert D. Hudson has taken the post of purchasing agent with **Transwestern Pipeline Co.**, Houston. He had been purchasing agent for Southwest Industries, Inc., Houston.

Charles K. Bonnaville was named general purchasing agent, **Acme-Newport Steel Co.**, Newport, Ky. He succeeds **Harry M. Baker**, who retired after more than 23 years service. Baker served as both general purchasing agent and general traffic manager.



R. D. HUDSON C. K. BONNAVILLE

Glenn A. Wilson has been advanced from director of purchases and special projects to vice president purchases and special projects, **Firth Sterling, Inc.**, Pittsburgh. He continues as vice president and general manager of Strategic Metals Corp. and as vice president and director of Borolite Corp., both Firth Sterling subsidiaries.

Earle Miller joined the general purchasing department of **American Laundry Machinery Industries**, Cincinnati, a division of **McGraw-Edison Co.**, as mechanical components and instruments buyer. He had been director of purchases for K.D.I. Corp., Cincinnati.

Sidney A. Wilson was made city purchasing agent at Tucson, Ariz.

E. A. Vigard, who joined **H. B. Fuller Co.**, St. Paul, Minn., in 1943 as head of the purchasing department, has been named president of the firm. For the past year he served as vice president and manager of the firm's Adhesive Division.

Douglas J. Bowden, former purchasing agent of Electronic-Timers Co., Warsaw, N.Y., has been appointed sales manager of

the firm, now known as **Mallory Timers Co.**, a division of **P. R. Mallory & Co., Inc.**

Fred C. Barker, senior buyer for Wickwire Spencer Steel, Buffalo, N. Y., has joined **Deck Brothers, Inc.**, Buffalo, as a sales representative.

William R. Randle has been advanced from assistant purchasing manager to purchasing manager of **Industrial Rayon Corp.**, Cleveland. He succeeds **George F. Courson**, who retired after 25 years service.

John K. McGuire has been promoted to manager, transportation sales and national accounts, **Paint Div., Glidden Co.**, Cleveland.

Harold R. Keller will succeed **A. M. Aston** as sales manager **Biles-Coleman Lumber Co.**, Omak, Wash. He was formerly with Pilot Rock Lumber Co.

L. E. Minkel vice president, marketing, has assumed the added responsibility of general sales manager, **Studebaker-Pack-**

ard Corp., South Bend, Indiana.

John L. Ryan has been elevated to sales manager, apparatus and supply divisions, **City Electric Co.**, Syracuse, N. Y.

Joseph L. Sturdevant has moved up to manager of commercial sales, **Remington Rand Univac Div., Sperry Rand Corp.**

John J. Bertram, Jr., has joined **American Hard Rubber Co.**, a division of **Amerace Corp.**, Butler, N. J., as manager, adver-

tising and sales promotion. He was formerly with Crown Zellerbach Corp.

Ralph C. Hughes has been given the post of special assistant to the sales manager, **Eastern Chemical Div., Hooker Chemical Corp.**, Niagara Falls, N. Y. **John N. Moore** succeeds him as manager, distributor sales.

William F. Faulds has been advanced to sales manager, **Magnetics Dept., Servonisms, Inc.**, Los Angeles.

First Operational Reports in!

New '61 Larks in actual fleet service save 10% • 14% • 16% • 25% over other fleet cars

What should you expect to gain when you put '61 Larks into your own fleet? Here is a certified report by the United States Testing Company, based on daily use of The Lark under normal operating conditions in four giant fleets:



All drivers were favorably impressed with the increased power and acceleration of the new Skybolt Six engine—the responsive, easy steering of the new steering/suspension complex—the excellent handling and maneuverability all through.

And the report makes specific cost comparisons with the most widely used fleet cars—Chevrolet, Ford, Plymouth, in comparable models. Here's what you save:

Initial cost averages 14% less... **Insurance** (with Illinois as the basis) costs 10% less... **Registration and Taxes** (Illinois) are 16% less... **Tires** save approximately 15%... **Repairs and Replacements** (from MOTOR's 1960 Crash Book) average 25% less... **Gas Consumption** (based on 5,000 everyday drivers) was more than 15% better.

These are unmatched advantages in economy. In fact, they top the savings on any other compact car as well. And they show you why each day's mail brings such Lark Fleet orders as 35 for a mid-western route sales operator, 566 for a western state, 134 for an eastern taxi fleet, 51 for one telephone company, 38 for a municipal Police force in the southwest.



THE '61 LARK BY STUDEBAKER

YOU HAVE TO DRIVE IT TO BELIEVE IT!

GET THE FULL STORY ON FLEET SAVINGS!

Fleet Sales Division, Studebaker-Packard Corporation, South Bend 27, Ind.

- ☐ Send us informative literature only
- ☐ Have a factory representative call me for an appointment
- ☐ Also send information on Studebaker truck savings

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TITLE _____

COMPANY _____

ADDRESS _____

PW 1-9-61 F5

Obituaries

Alonzo E. Udell, 70, vice president in charge of purchasing, **Kellogg Co.**, Battle Creek, Mich., died Dec. 19.

Harry W. Backer, 53, purchasing agent for **Emery Industries, Inc.**, Cincinnati, died Dec. 19.

All Cargo Schedule

San Francisco — Trans World Airlines has begun operating a scheduled all cargo non-stop flight between the Bay Area and New York.

The nightly Monday through Friday flights will leave San Francisco at 8.30 P.M. arriving in New York at 8.35 A.M. TWA reports this 9 hour, 5 minute service saves 55 minutes over existing schedules. The earlier arrival assures adequate time for processing and re-forwarding international shipments, a spokesman said.

P/W TRANSPORTATION MEMOS

UPGRADING TRANSPORTATION: The Landis report criticizing the policies and slow-moving procedures of the nation's regulatory agencies could lead to a Department of Transportation on the Cabinet level.

President-elect Kennedy is currently studying a proposal to create a special office within the White House to help develop a better balanced national transportation system. The recommendation was included in the 87-page report. Since Kennedy has named Landis as a special White House assistant to help streamline the regulatory agencies, the appointment could well be the first move toward a Department of Transportation.

The report recommended that the new office be charged with formulating government policies that would encourage lower transportation costs, simplified billing, and improved service.

Landis told Kennedy that no effective national transportation policy now exists because policy making is fragmented among

too many agencies dealing separately with highway, rail, water, and air transport.

A beginning toward coordination of transportation policy was made in 1953 with the creation of an Undersecretary of Transportation in the Commerce Department. But subordinating this task to the Secretary of Commerce has not been effective, according to Landis, because it is "vaster and more important than all other functions" of the Commerce Department.

RAIL LABOR VETO: Railroad labor unions have begun an all-out fight against the merger trend.

The Railway Labor Executive Assn., the union's top policy group, has decided to "oppose all pending proposals for rail mergers." The unions have not spelled out what kind of program they will follow or urge Congress to adopt. However, they are counting on some aid from the new Administration, particularly in the form of appointments to the ICC.

The union recently was defeated in its efforts to block the merger of the Erie and the Delaware, Lackawanna & Western railroads. The union plans to appeal the decision to the Supreme Court. The union argued that the ICC had misinterpreted provisions in the 1940 Transportation Act, covering job protection.

Reconciling the demands of rail labor with the need for an efficient transportation policy will be one of the first tests of the Kennedy Administration.

NEW FREIGHT PLAN: The Eastern Central Carriers Association has introduced a plan to simplify billing by charging flat rates on shipments instead of by classification of commodities. The rates would apply on every 50 lb. to 299 lb. In the proposal, the carriers include a cancellation of its \$1 per shipment surcharge.

Shippers opposed a similar proposal by the Middle Atlantic Conference truckmen, and it is unlikely that they will accept the new one, chiefly because of the general hike in charges.

CANADIAN REGULATIONS: For hire truckers, now unregulated, are heading for governmental control. A bill in Parliament (C-44) to bring the for hire group under regulations has already had its first reading. The purpose of the law is to regulate the industry by licensing services and controlling tariffs, following the lead of the American Motor Carriers Act of 1935.

PIGGYBACK ROYALTIES: To offset loss of pay, the teamsters want the Central States truckers participating in piggyback, fishyback or birdyback to pay 1¢ per trailer mile loaded or empty, with a minimum of \$5 per trip for the union's welfare fund.

MIDWEST SURCHARGE: The Middle West Motor Freight Bureau has adopted a proposal to include an additional charge of \$1 per shipment in its permanent tariffs. The move cancels present 50¢ per shipment charge and brings minimum to \$4 per shipment.

REVENUE HASSLE: A family feud is brewing among railroads since two (ICC) examiners recommended a new method of dividing revenues with respect to inter-territorial freight hauls. Eastern and Midwestern carriers would get a larger share of the total revenue with Western roads getting less. The Southern lines are not included.



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Ed. N.

INSTANT HEAT!

G-E tubular Quartz Infra-red Lamp hits 4,000°F. in less than a second

...and two seconds after you turn off this pencil-thin lamp, 80% of its radiant energy is gone. Residual heat won't overheat your product.

Pour a glass of ice water over this lamp at full heat and—nothing happens! The quartz tube withstands violent temperature shock.

General Electric's tubular Quartz Infrared Lamps are made for jobs where high or low amounts of concentrated radiation are needed *fast*. Examples: cooking food; shaping plastics; drying paints, paper, inks and glue; heating people; testing aircraft at supersonic-flight temperatures.

In most cases, you'll be surprised how few lamps do the trick. You can produce concentrations of 10 to more than 10,000 watts per square

foot. It's the most powerful infrared source of its size. Quartz Infrared Lamps are simply constructed with a flexible wire at each end and can be installed economically. They've been proved in actual use for over six years.

Choose the size you need—500 to 5000 watts—in 5" to 50" lengths at 100 watts per inch. Ask your General Electric lamp representative for information on how Quartz Infrared Lamps can help your operation. General Electric Co., Large Lamp Dept. C-11, Nela Park, Cleveland 12, Ohio.

Progress Is Our Most Important Product

GENERAL ELECTRIC

ICC Overwhelmingly Refuses to End Old East Coast Rail Rate Differential

Washington — The Interstate Commerce Commission has refused to upset a freight rate differential which South Atlantic ports have enjoyed over North Atlantic ports for more than 80 years.

The differential applies only to overseas shipments moving into and out of the Midwest and covers only the rail portion between the port and the shipment's inland destination.

When the differential was first established in 1877, the railroads granted the Southern ports lower rail rates to offset an ocean rate differential which favored Northern ports because they were closer to major European shipping centers.

Since 1935, however, ocean rates to and from the different ports have been equalized, making total transportation charges through Northern ports higher.

In 1956 railroads serving the ports of New York, Albany, Boston and Portland, Maine, proposed to lower rates on export and import traffic to the Midwest to the level of rail rates on similar shipments moving through the ports of Philadelphia, Baltimore and Norfolk. But the three Southern Tier ports countered with a move to cut their rates to restore the differential. Subsequently, the railroads involved voluntarily agreed to defer putting the rates into operation until the ICC could conduct an investigation and hand down a ruling.

The railroads and ports seeking equalization said the reasons for the differential had long since disappeared and that the differential had diverted increasing amounts of traffic to the Southern ports.

Their position has grown worse, they said, because they are now also fighting diversion of freight brought on by the St. Lawrence Seaway which opened the Great Lakes to deep draft vessels.

However, the ICC, in a 9-1 decision held that the railroads seeking equalization had presented only meager evidence that

the differential itself was a principal cause. Furthermore, the commission said, it must give weight to the fact that the Northern Tier ports are farther by rail from the Midwest and that the costs of service at the northern ports are higher.

"The present differentials have long served to retain a reasonable competitive relationship between the principal port groups and should be maintained," the commission said.

CAB Examiner Urges Capital-United Merger

Washington—Airline mergers got another shot in the arm last week when a Civil Aeronautics Board examiner recommended the union between Capital Airlines and United Air Lines. Full CAB approval is expected before the end of January with the merger taking place next month.

The marriage of financially weak Capital with larger, stronger United system is expected to increase industry competition in the East and Midwest and spur a new round of merger talks in the airline industry.

Industry sources expect that the next major merger will be between Northeast Airlines and Trans World Airlines. The firms have held merger talks but have not formally filed a proposal with the CAB.

The CAB approval of the Capital-United merger will save Capital from a \$33.8-million foreclosure suit by Vickers-Armstrongs, Ltd., and others on a fleet of British-built Viscount turbo-prop airliners.

Vickers and other British interests have approved a settle-

ment of their claim against Capital as part of the merger deal. Stockholders of both Capital and United have also approved of the merger.

The union would make United the biggest domestic airline, with routes from New York to Minneapolis and south from New York to Florida. CAB Examiner Thomas L. Wrenn said that based on 1959 totals, United's operating revenues after the merger would be almost \$433-million, with pre-tax earnings estimated at about \$29-million.



'Ship-American' Plan Draws Japanese Fire

Tokyo—The new U. S. Commerce Department plea to have American industry "Ship American" has drawn the fire of the Japanese marine transport industry.

A spokesman for the Japanese marine interests declared shipbuilders here face a \$33.5-million loss if shippers insist on moving their goods in U. S. carriers.

Toshio Okada, representative of the Japanese shipping industry, appealed to the Japanese Foreign Transportation and Finance Ministries for help in opposing a new quota system, following the appeal by Commerce Secretary F. H. Mueller to American exporters and importers to make more use of American flag carriers, in order to halt the gold drain on the U. S.

The new quota calls for a 50% or 55% loading quota for American ships. At present on some commodities Japan carries 65%, the U. S. 25%, and other nations 10% of the Japan to New York route.

You'll be pleased to put the money you save in your shipping room into the profit side of your ledger. And one of the best ways to do this is to switch to Bostitch stapling. Hundreds of case histories in our files prove that substantial savings can be made in time, space, and materials when you change to Bostitch.

How is this possible? First of all, staples often cost less than other fasteners. Many times, you can use a lighter carton and save on freight costs. Damage re-

sistance can be increased, too. Space is saved because you can store cartons flat until you are ready to use them. And hardly any skill is required to operate stapling machines.

A Bostitch Economy Man may tell you how you can make savings with stapling in your shipping room. In fact, he'll gladly set up an in-your-plant demonstration to prove the point. He's listed under Bostitch in your phone book, or you can write to the address below.

Fasten it better and faster with



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Association News in Brief

Mobile

Mobile, Ala.—Over 35 local purchasing agents met here recently to establish a new purchasing group, the Mobile Purchasing Agents Assn.

D. C. Kennedy, Aluminum Co. of America, was elected president of the association which plans to affiliate with the NAPA. He said the group will meet on the second Monday each month for a dinner session.

Other officers include John Torres, Jr., vice president, and

Miles Mark, secretary-treasurer. A. J. Siegleman, C. S. White-Spunner, H. M. Herrin, and Hale Miller were named directors.

New England

Boston—An advanced management seminar, sponsored by the New England Purchasing Agents Assn.'s Professional Development Committee, has been scheduled for Jan. 13-15 at the University Club here.

The seminar is designed for

NAPA members who are engaged in the executive, management, and administrative phases of purchasing.

Chicago

Chicago—Harold A. Berry, first vice president of the Purchasing Agents Assn. of Chicago, has moved up to the presidency.

Berry, manager of purchases and materials of the Chicago, Rock Island & Pacific Railroad, succeeds Donald L. Harwood.

Follow-Up: Letters and Comments

Against Lobby Interviews

Little Falls, N. J.

I read with interest the report on page 19 of your Dec. 26 issue, "purchasing agent lists guides for socializing with salesmen."

On the whole I agree with this article, except for Ralph Scheifley's comment recommending the use of lobby interviews—"Lobby interviews give you an opportunity to screen the caller to your time advantage and help discourage the persistent salesman who has nothing of interest." Our position on this is quite different.

I would like to quote from Kearfott's Procurement Objectives, Policies and Principles: "To strive always to be a better company to which to sell, to treat the representatives of our suppliers as we would like to have our own representatives treated, and to maintain sound vendor relations."

I might add that if a salesman takes the time to visit us then we should certainly accept and receive him in the same manner as we would like to be received if we were making a visit to his company.

This item has always been a pet peeve with me and we do not permit any of our purchasing people to interview or see anyone in the lobby.

As for lunching with salesmen our Policies and Principles manual, under "relations with salesmen," states: "There is nothing questionable or unethical in lunching with a salesman. Often this gives him a better opportunity to present his case and for cultivating friendship. The buyer, however, accepts the attention only as he would from any other friend and keeps himself free of obligation. It is our policy that, from time to time, the buyer should reciprocate by taking the salesman to lunch. Since it is also our policy that there shall be no drinking of intoxicating beverages during working hours by any member of the Procurement Division, we request that salesmen refrain from extending such offers and placing our buyers in an embarrassing social situation."

H. M. Zimmermann
Director of Procurement
Kearfott Div.
General Precision, Inc.

Casting Process

St. Louis, Mo.

In the Nov. 21 issue, page 31, there is an item concerning a low pressure casting process which was developed in Germany ("German Casting Process Is Licensed In America").

How can we learn more about this?

P. O. Murray
Treasurer
M. A. Bell Co.

• We suggest you contact: Ladd & Little, Inc., 570 Walt Whitman Road, Huntington Station, New York.

Requests Games

Evansville, Ind.

The Business & Economic Department of Evansville College, in conjunction with our local purchasing club, is sponsoring a course in purchasing.

We are very much interested in using two of the games that appear regularly in PURCHASING WEEK for our students to study. May we reproduce two of these?

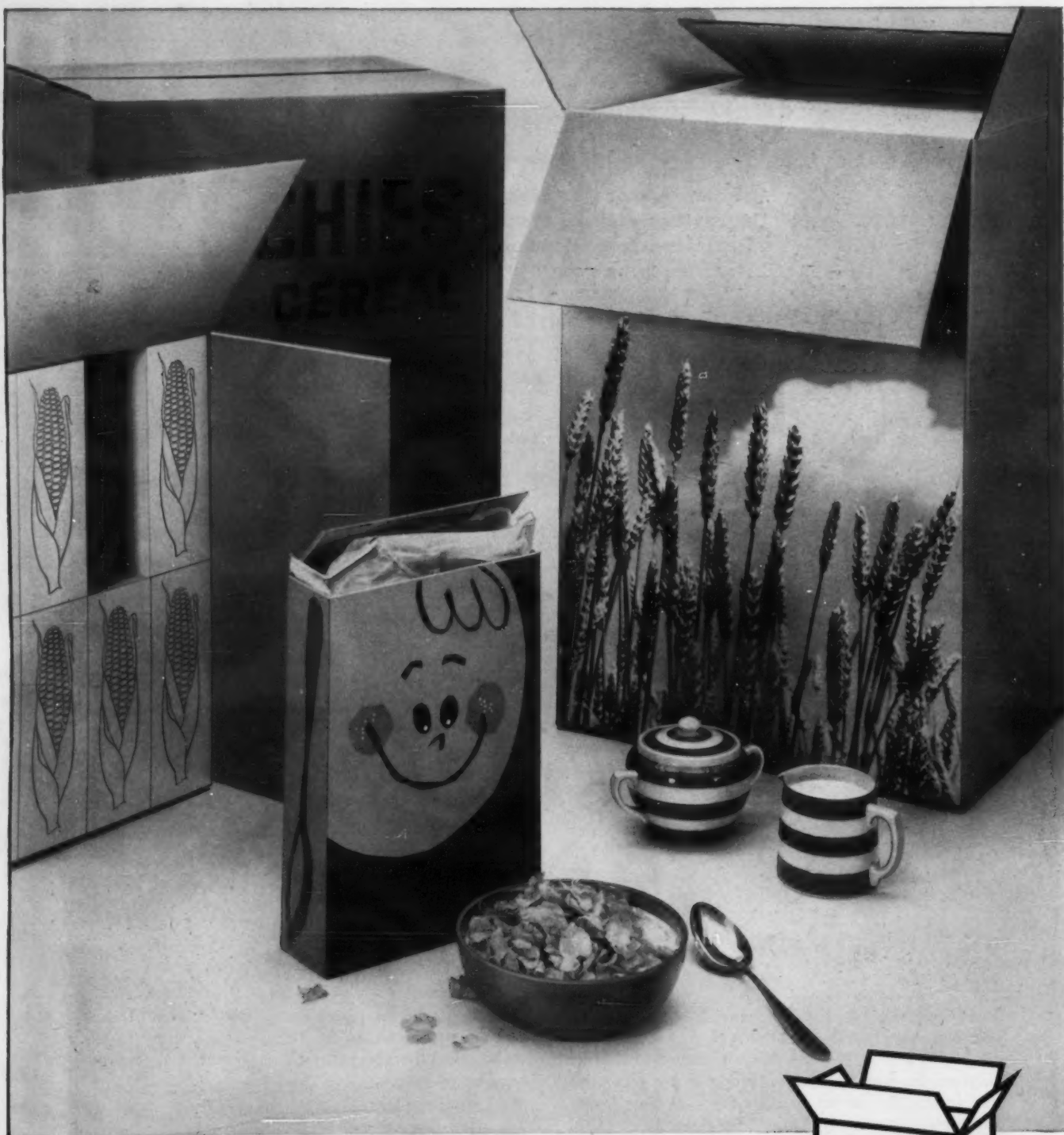
Clifford Stone
Assistant Professor of Marketing
Evansville College

• You have our permission.

To Our Readers

This is your column. Write on any subject you think will interest purchasing executives. While your letters should be signed, if you prefer we'll publish them anonymously.

Send your letters to: "Follow-Up," Purchasing Week, 330 West 42nd St., New York 36, N.Y.



Millions of breakfasts in corrugated

America's big morning appetite is a bull market for breakfast food. Producers supply this demand with a harvest of crispness, a multitude of different cereal brands. Why are so many of these family favorites shipped in boxes by Hinde & Dauch Division? Because buyers know they can depend on Hinde & Dauch for money-saving *corrugated containers in volume.*



West Virginia
Pulp and Paper

Hinde & Dauch Division
17 Plants • 42 Sales Offices • Sandusky, Ohio

Los Angeles Association Inaugurates Monthly Business Survey of Members

Los Angeles—A monthly business survey for purchasing agents, has been initiated by the Los Angeles Assn.'s Professional Development Committee. The survey is patterned after those made by the NAPA and several other local associations.

The survey, the first of its type to be made west of Chicago, is "intended to give a quick indication of trend in the Los Angeles-Orange Counties area," reports T. T. Grumshaw, assistant purchasing agent, Southern California Gas Co.

Grimshaw, who heads the group responsible for the survey and is a member of the Professional Development Committee, said, "It relies upon the sensitivity of purchasing agents to conditions within their companies rather than on the accumulation of statistics, which can only come much later."

Two Questions

Each month a sampling of the Los Angeles Assn. membership is asked two questions on each of five categories: production (or level of activity), new orders (or incoming business), employment, inventory of purchased goods, and prices paid for major items purchases. The questions are:

(1) Compared to last month, was activity in your business this month greater, the same, or less?

(2) Compared to this month, do you believe that next month's activity in your business will be greater, the same, or less? This question, constituting a forecast,

Western Metals Show Gives Free Admission To West Coast P. A.'s

Los Angeles — West Coast P.A.'s will receive free admission invitations for the 12th Western Metal Exposition, Mar. 20-24, at Pan-Pacific Auditorium and pavilion here.

Allan Ray Putnam, managing director of the American Society for Metals, reports the Los Angeles, Northern California, Oregon, and Washington Purchasing Agent Assns. will be sent admission invitations entitling P.A.'s to register without charge for all five days of the show.

"Increasing demands for closer tolerances, expeditious economical production and the right metal for a specific job," said Putnam, "have brought professional buyers to a fine understanding of the metals engineers' requirements."

N. J. Governmental P. A.'s Elect Fenton as President

Summit, N. J.—Thomas Fenton, administrative officer, Clifton, N. J., has been elected head of the New Jersey Governmental Purchasing Agents Assn.

The group, formerly the North Jersey Governmental Purchasing Agents Assn., also elected the following officers: Jack Jackson, purchasing agent, East Orange, vice president, and Geraldine Winston, assistant purchasing agent, Englewood, secretary-treasurer.

is an innovation with the Los Angeles Assn.

A tabulation of the responses on a percentage basis is compared to national averages in the same categories.

The survey includes leading companies in every major segment of the business community except retail trade, services, and real estate. The sample has been roughly stratified through careful selection of the committee, and plans are to refine it further.

WILMINGTON ASSN. feted its past presidents at its December meeting. Also honored was Harold F. Jones, former NAPA president, 1950, and past head of the Philadelphia Assn., 1947. The group included: (seated, l-r) J. K. Conant, 1943-44; L. J. Finnan, 1945; W. H. Gehring, 1946; C. S. McCune, 1948; E. S. Ladley, 1949; (standing) L. R. Clinton, 1959; C. F. Jones, 1958; J. W. McKinney, 1957; A. W. Gudal, 1956; Robert Wier, III, 1955; Jones; H. W. Smith, 1954; W. P. Jackson, 1953; W. R. Bovard, 1952; and T. E. Stevens, 1950. W. C. Backus, 1947 president, died and J. M. Brentlinger, 1951, was absent.



Now available from your P-K® distributor... PARKER-KALON SOCKET SCREWS

the most complete line in the industry

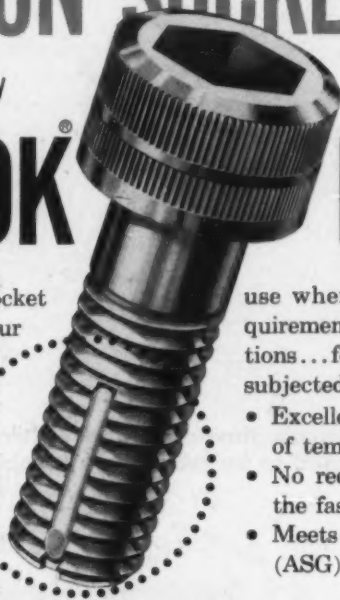
WITH LONG-LOK® INSERTS!

When design and production specify socket screws with self-locking inserts...ask your distributor to show you the Parker-Kalon line with the new Long-Lok feature.

P-K socket screws with Long-Lok inserts of Polycap, a nylon type polymer, completely eliminate the need for lock washers or intricate safety wiring. They are ideal for

use where frequent adjustment is a requirement...for thread-sealing applications...for extra holding power, even when subjected to severe vibration.

- Excellent performance over a wide range of temperature.
- No reduction in basic rated strength of the fastener.
- Meets requirements of MIL F 18240A (ASG) and NAS 1081 specifications.



to fill all your requirements...



call on your Parker-Kalon distributor for P-K socket screws with or without the Long-Lok insert. You can order either way and get speedy delivery of P-K quality-controlled socket head cap screws (1960 and 1936 series), set screws (including P-K's new W-Point®), shoulder screws, flat heads, button heads and pipe plugs.

ASK YOUR P-K DISTRIBUTOR FOR SAMPLES AND TECHNICAL BULLETIN NO. 862



LOOK TO P-K for all your socket screw, dowel pin and hex key requirements. Ask your distributor to show you the five new Hex Key sets, now available from P-K in addition to the popular #45 and #111 sets.

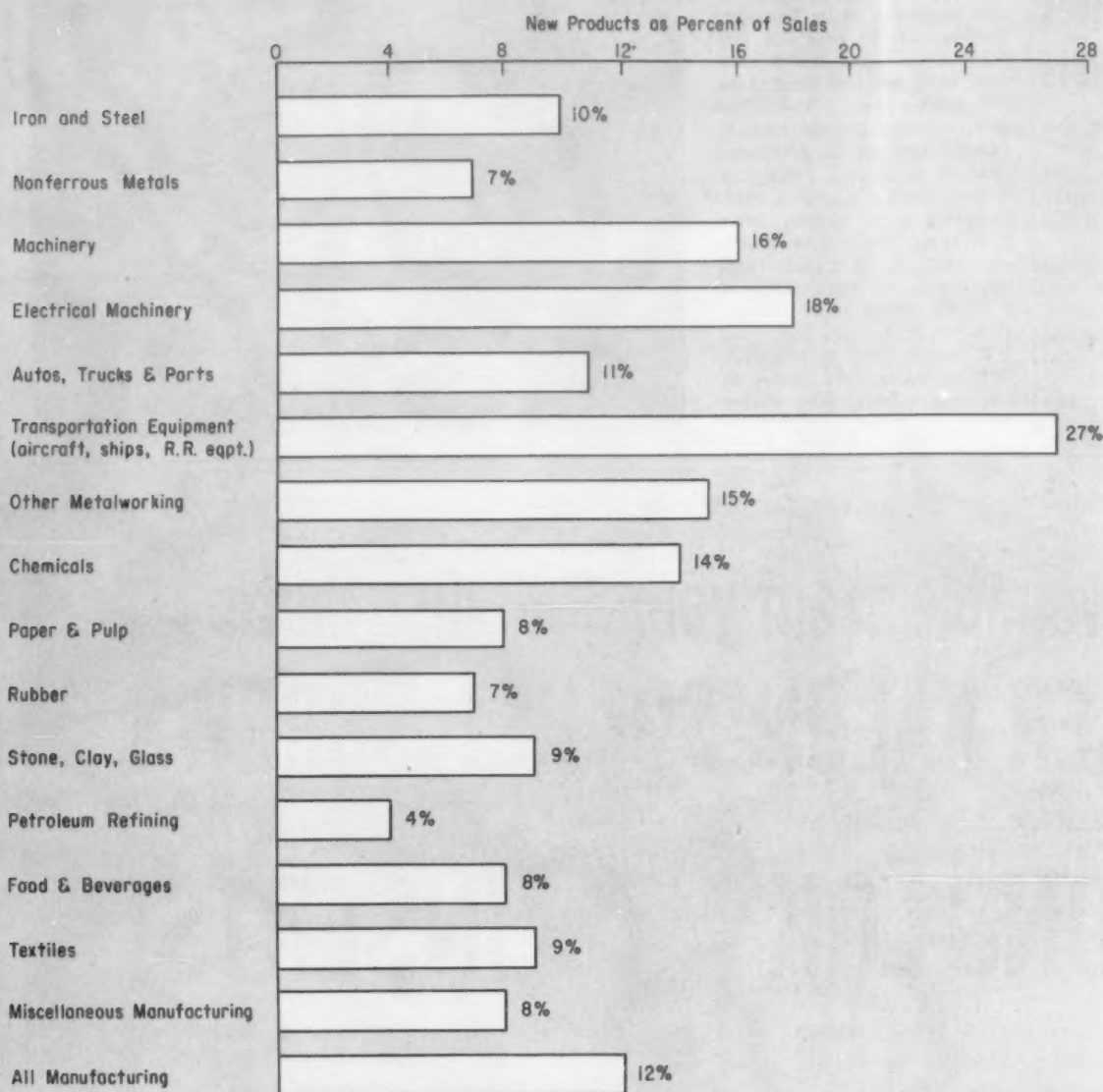
*T.M.

†U. S. Patent No. 2,907,245

PARKER-KALON® the complete line

PARKER-KALON, a division of GENERAL AMERICAN TRANSPORTATION CORPORATION, Clifton, N. J., sold exclusively through Industrial Distributors.

How Much of 1963 Sales Will Be in New Products? *



*KEY TO THE 1960's: The New Products timetable above covers products not produced in 1959 or sufficiently changed to be reasonably considered brand new.

Outpouring of N

During the next 15 years American industry, riding a wave of new products, will write a breathtaking story of growth and expansion.

• Many industries will more than double in size, new industries will be born and outgrow some of the old ones, and their revolutionary products will radically change both American industrial and family ways of life.

• The next decade and a half will see the gross national product—the over-all measure of our economy—soar an estimated 90% to an annual rate of some \$940-billion.

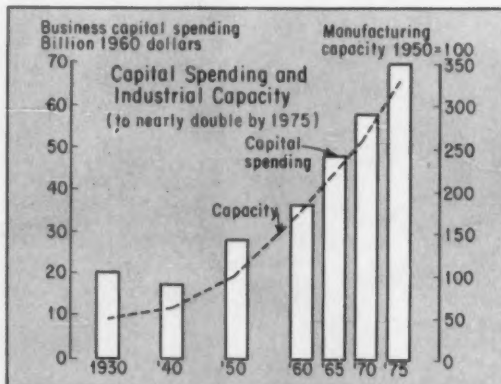
This long-range view of what's coming between now and 1975 has been outlined in a comprehensive study by the McGraw-Hill Dept. of Economics. The charts on these pages illustrate highlights of this forward appraisal of the basic economic forces that are shaping the business future of the United States.

What will be the propelling force behind the spectacular advances that the experts believe will overshadow even the tremendous expansion of the last 15 years when GNP far outran recession setbacks to attain a 55% growth by 1960?

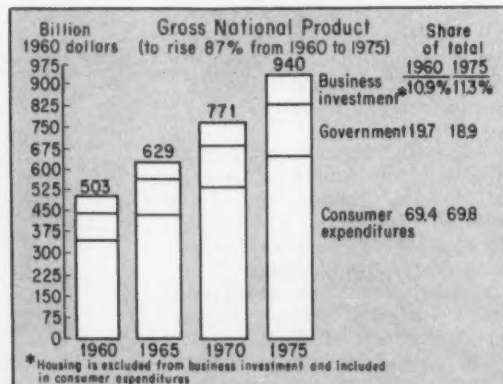
"America's future growth is linked directly to research and development," the McGraw-Hill survey declares. With industry spending more and more on R & D, the pace of technical development is quickening. This is the principal basis for predicting a speed-up in U.S. economic growth in the years just ahead—despite the fact the American economy entered the 60's with a zip somewhat below the potential likely to be obtained in 1965, 1970, and 1975.



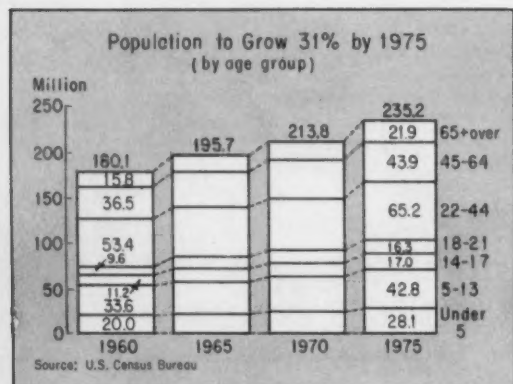
Industrial activity soon will quicken in period of new long-term growth.



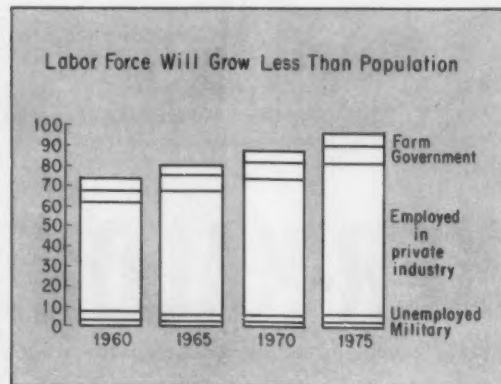
New capacity, modernization needs will up capital spending to \$70-billion.



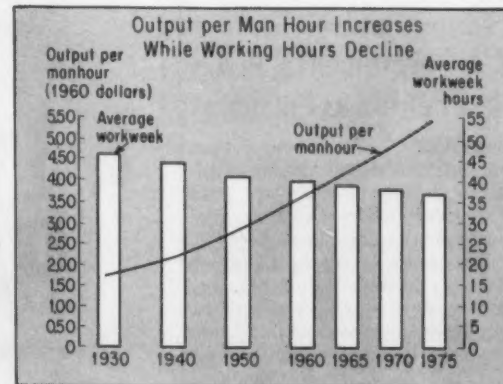
Gross national product distribution will remain same while index rises 85%.



Population growth will create massive new markets for industry by 1975.



Labor force growth to 95-million will concentrate in industrial segment.



More output with less work equals a higher standard of living in 1975.

New Products Shapes the Industrial Future for P.A.'s

The gains of the past periscope the future. In the past 15 years, total R & D expenditures rose from less than \$2-billion to nearly \$13-billion. By 1970 it is estimated that total R & D expenditures will reach \$23-billion.

Out of past and current research have come a wealth of new products and industries. Output of plastics rose 300% during the last decade; electronics production soared 240%; aluminum output increased 200%. Even in such well-established fields as food processing, the McGraw-Hill report points out, companies have close to 30% of present sales in product lines developed since 1950.

Even with this record of achievement behind us, it still is too early to say how the even greater surge to come in research and technological development will be reflected in specific industrial products. But here are some estimates based on recent McGraw-Hill studies of R & D programs:

- Total expenditures on R & D will increase about 85% from 1960 to 1970.

- Sales of new products will double between 1960-1965 and triple in the 10 years 1960-1970.

- By 1963 new products (not made in 1959) will account for 15% or more of total sales of the electrical machinery, instruments, and transportation equipment industries (see chart upper left). In consumer goods, about 10% of 1963 sales, and even more of 1965 sales, will be in new products.

The charts below depict how the 1960-1975

expansion and growth will be reflected in demand for basic materials, machinery, and chemicals; in population growth and changes in output and make-up of the labor force; and in the rate and distribution of personal income and consumer expenditures.

So just to keep pace with the growth indicated on all economic fronts, manufacturing capacity will need to score an 85% increase by 1975.

"Electric power companies must triple their generating capacity," the report says. "Railroads, air cargo lines and truck operators will need equipment to handle about 90% more freight." The report emphasizes that all this means a substantial growth in future requirements for plant and equipment" plus tremendous modernization of existing plants to keep up with research developments.

Here's how this impending industrial growth may manifest itself in specific areas:

Electrical machinery output may rise to 255 in 1975 from 114 in 1960 as measured by the McGraw-Hill American Machinist/Metalworking production index.

Industrial instruments and controls have a 140% growth potential—with electronic controls leading the group.

Office machinery sales are likely to more than triple by 1975.

Chemical process equipment will benefit (probably to the extent of a three-fold production increase) by the bright growth prospects in the chemical industry (see chart below).

Materials handling equipment will find markets more than doubled by 1975 as a result of rapid

increases in demand from manufacturing, mining, and construction.

Metals and minerals producers will see only average growth of 50% to 60% in consumption of such old standbys as copper, lead, and zinc. Steel, especially alloys, will grow somewhat faster—with proportionate rises in consumption of the valuable alloying elements such as columbium, molybdenum, and the rare earths.

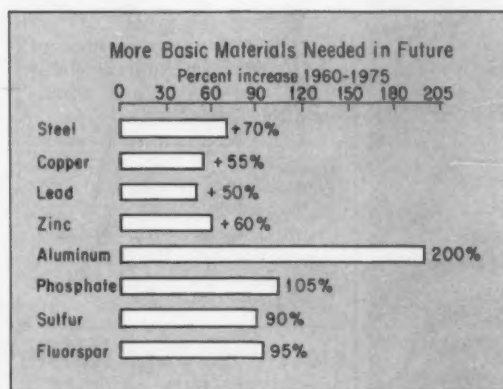
But growth in light metals will be really spectacular—titanium, 200%-300%; magnesium, 300%; aluminum 300%.

Chemicals production is expected to rise 140%, with plastics leading the parade on an estimated 400% increase in output.

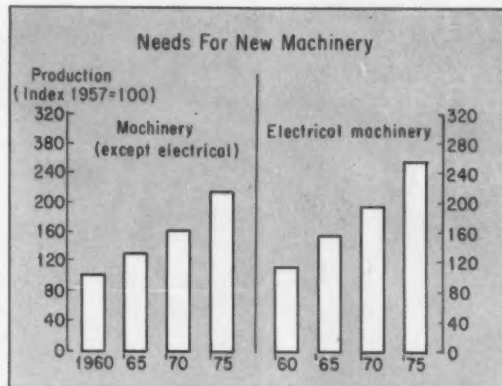
Plywood, cement, glass and gypsum will double or nearly triple in use by 1975.

This outlook on the American economy over the next 15 years is a tale of growth and potential that does not forecast the position of the general economy or any specific industry at any specific time in that period. The ups and downs that have characterized U.S. business activity in the past can be expected to appear again. But the general trend as portrayed in the accompanying charts is ever upward.

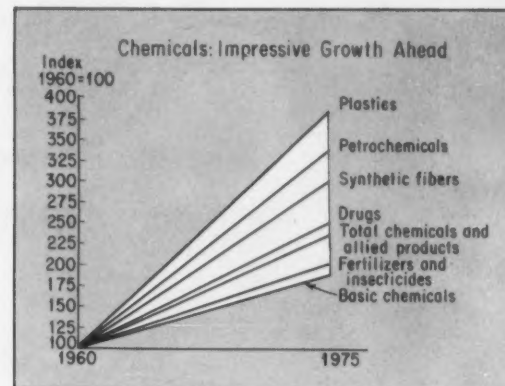
The McGraw-Hill report concludes with this warning to those who aspire to help lead their firms to attainment of the indicated goals: "... It cannot be too strongly emphasized that there is nothing automatic about attainment of the degrees of growth indicated. Failure to do short-range planning successfully can remove a company from the ranks of those which may develop the longer-range potentials."



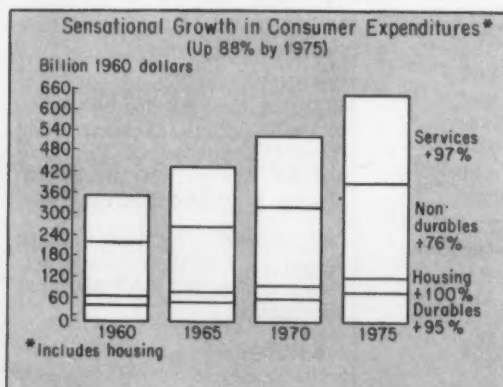
Light materials will far outrun needs in the other basic materials by 1975.



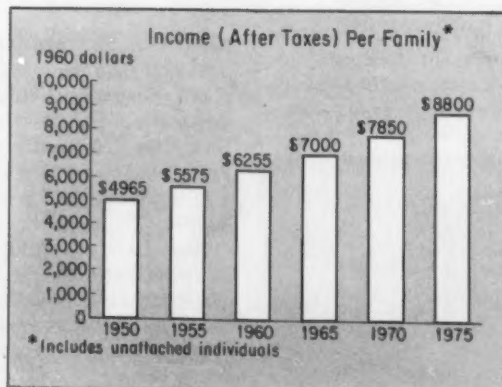
New equipment, as well as materials, will be required to turn out goods.



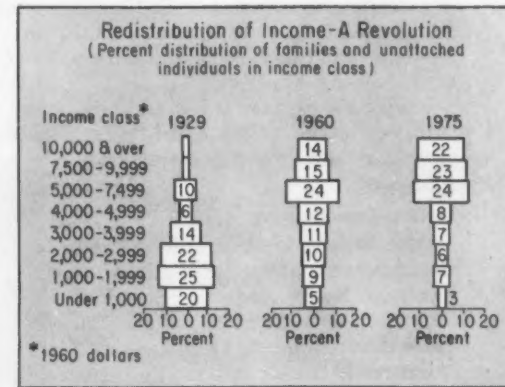
Plastics will set the pace in chemicals' growth during the next 15 years.



Consumer expenditures will rise as income and leisure time increase.



Family income in 1975 may increase an estimated 40% from current levels.



Income distribution in 1975 will be almost reverse of that back in 1929.

The Case of the Abrogated Alligators

HOW WOULD YOU SOLVE IT?

Vendor Said They Were Bad; Buyer Disagreed: The American Arbitration Assn. Helped Decide

In most disputes over quality of merchandise, it is the buyer who complains of defects and the seller who insists there is nothing wrong.

But a case heard by the American Arbitration Assn. had the usual roles reversed. The seller—a dealer in alligator skins—insisted his merchandise was not up to contract specifications, and the buyer—a manufacturer of pocketbooks and wallets—wouldn't believe a word of it.

The dispute started when the dealer came to see the purchasing agent of the handbag company with a proposition. "I know you'll be in the market for alligator skins soon," he said. "I happen to have on hand a large supply of good sized pieces. The market is slow right now, and I need the money. Buy it now at a saving and use it up later."

There was a strong probability that alligator skins would be popular in the next season, so the P.A. decided to accept the offer. The only difficulty was that storage space was a problem. But an understanding was reached that a few bales would be delivered immediately and the rest would be shipped some months later, closer to the time the skins would be needed.

During the following months, the purchasing agent had every reason to congratulate himself on the deal. There was no doubt that all the skins would be used. But when he instructed the dealer to ship the rest of the bales he was holding, there was bad news.

"I was getting ready to ship these bales to you," the dealer reported, "but I noticed that the burlap covers were stained. That's a sure sign of mildew. I represented the alligator pieces as first grade. I'm afraid I have to give you a refund and sell the merchandise elsewhere as seconds."

"You'll do no such thing," the purchasing agent retorted. "We made a deal at the price you quoted. I don't believe there's anything wrong with the skins. You just want to sell it for a higher price now that it's in demand."

Eventually, the matter went to a board of three arbitrators, selected by the parties from the American Arbitration Association's panel. One of the three was an authority on reptile skins. It was expected that his opinion would carry much weight if the arbitrators decided to examine the merchandise.

What's Your Answer

If you sat as a member of the arbitration panel on this case, how would you adjudicate the issues?

Is the buyer entitled to take possession of the remaining skins on call, or can the seller hold back delivery legally?

Make your own decision. Then turn to Page 29 and learn how the expert arbitrators solved the case.

Electronic Bugs Ruffle Automated Post Office

Providence, R. I.—The world's first fully automated post office encountered some "bugs" as thousands of letters and packages descended on it during the recent holiday rush. Here's what happened:

- High-speed electronic facer-cancelers were puzzled by Christmas seals on letter faces, shunting them into the reject slot, and forcing weary post office employees to hand cancel each one.

- Letters carrying foreign stamps passed through cancellation machines intact, and were delivered uncanceled.

- Electronic sorters couldn't handle the huge mail load quickly enough; letters backed up and were damaged in conveyor mechanisms.

cut
that
waste
!

...with new Stan-Pak Run-Rite Papers

When too much of your duplicating run ends up in the wastebasket, it's time to ask questions. Often of the paper. Is it unevenly trimmed? Too moist or too dry? Does the caliper vary?

It's not always easy to tell. But now, with new Stan-Pak Run-Rite Papers, you can reduce your paper waste substantially.

Trouble-Free Running

Take flatness. We laboratory-test all our papers right on the duplicating machines they're made for. Stan-Pak Run-Rite Papers come to you flat. Lie flat in the machine. And feed flat.

But really trouble-free running calls

for many more qualities. Controlled moisture to avoid static conditions and insure good printability. Accurate trim and finish to prevent feeding jams. Even caliper, uniform weight and careful surface sizing to give you sharp, clean ink impressions.



You get them all in Stan-Pak Run-Rite Papers.

525 Grades, Sizes and Weights

This brand new line answers just about every office need in printing and duplicating papers. Under the Stan-Pak Run-Rite name you'll find the grade, color and weight you want—at a sensible range of prices to suit your budget.

Next time you order paper, try the brand that's made to run right. Through the duplicating machine. On the press. In the typewriter.

We're confident you'll specify it every time.

STANDARD PACKAGING CORPORATION, NEW YORK 17

• T.M.

Slow Economy Checks Industry's Need for Funds

New York—Borrowing costs—which have slipped appreciably this past autumn (see chart)—may be headed even lower in coming months. Sagging demand for money in the face of a rising supply point to further ease.

On the demand side lower inventories, greater corporate liquidity, and an over-all slower rate of economic activity are cutting down on business need for funds.

The usual pre-Christmas increase this year, for example, was quite disappointing. Banks report only a \$200-million boost in loans for November—compared to the \$1.3-billion racked up in November, 1959.

More Lendable

Banks, meanwhile, have a lot more funds available. At latest reading, their excess reserve (money which can be used as a basis for new loans) hit \$735-million—some 80% above the low point of last April.

And the new Kennedy Administration will probably see to it that supply stays high, because it is committed to a policy of easy money. Moreover, it is likely to exert growing pressure on the Federal Reserve System if business continues to slide.

Even bankers are talking about some further reduction in lending charges. Thus, a substantial number of bankers queried in a recent survey of the American Banking Assn. thought bank rates might trend "slightly lower" in the first half of 1961.

Homer J. Livingston, chairman of the board, the First National Bank of Chicago, seconds this feeling. He states: "I believe long term rates may ease somewhat in the months ahead. Barring a more severe business decline than I anticipate, short term rates should remain relatively firm, with any change moderately downward."

Long Term Rate Drop

The feeling—that long term rates are more likely to fall—is pretty general among most of the nation's bankers. As one economist in a big New York bank noted: "The gold outflow in recent months has been stimulated by the difference between low U. S. short term rates and higher rates abroad. Therefore, I believe the Fed will try to prop short term yields while lowering the longer term ones."

There is also some speculation about some further reduction in the prime rate. That's the rate charged to the bank's biggest customers—and the one upon which all other lending fees are based. This rate was cut from 5% to 4½% last August—after remaining almost a year at the higher figure.

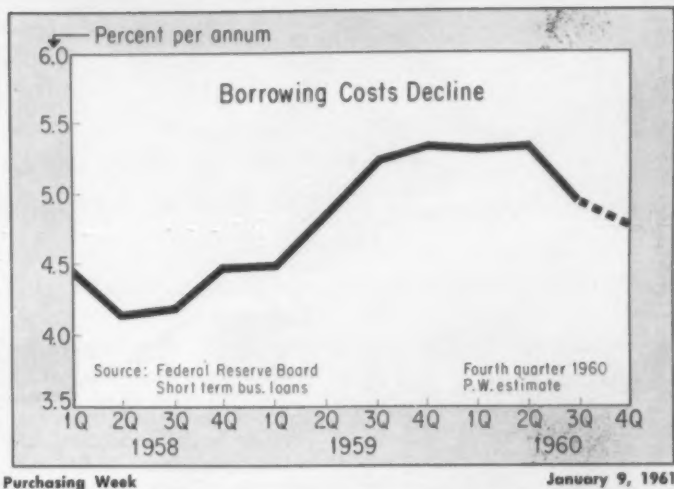
One big financial economist,

however, sees only small declines—putting the "prime rate" floor at 4%. Moreover, he sees that low figure only if the business slump intensifies in the current quarter.

But even if official rates don't fall, according to this observer, bank charges on inventories and other types of business loans will be less costly. That's because there's a growing tendency on the part of banks toward unofficial cutting—via lower compensating balances and/or granting of better credit rating to borrowers.

One thing most observers are agreed upon is that mortgage rates are headed for further reductions in early 1961—from 6% to 5.5%. Such a drop could provide an additional stimulant to residential construction in the coming year.

"Big ticket" consumer items such as cars and appliances—may be another beneficiary of lower borrowing rates. Costs of installment and other types of consumer paper are almost certain to follow the downward trek in interest rates.



**Tough tapping jobs
get a "lift"...**

For Special Materials

GREENFIELD Fast Spiral Fluted Taps provide trouble-free tapping of blind holes in ductile and stringy materials. Where straight flutes become clogged with long stringy chips, spiral flutes lift and carry the chips out before they have a chance to ball up and wedge in the flutes. Spiral flutes reduce friction and eliminate a major cause of tap breakage.

For Special Jobs

Fast Spiral Fluted Taps are especially useful in cutting holes which are interrupted by slots, keyways or other gaps. The tap remains steady at all times because all of the tap lands are in contact with the sides of the hole even when a portion of a land is spanning the open space.

... with

**Greenfield
Fast Spiral Fluted
Taps**

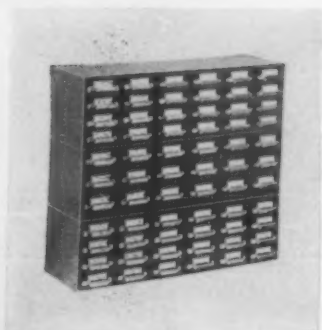
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FAST SPIRAL FLUTED TAPS?
CONTACT A GREENFIELD
FIELD ENGINEER
THROUGH YOUR LOCAL
GREENFIELD DISTRIBUTOR.**

GREENFIELD TAP & DIE Greenfield, Massachusetts

GE Plant to Shut Down

Oakland, Cal.—General Electric's Large Lamp Dept. will close its plant here, Feb. 10. Company spokesmen said the closing does not mean that GE is curtailing its growth in the western market. The move is aimed at streamlining operations to take advantage of more efficient and economical production methods to combat inflationary costs.

Here's your weekly guide to . . .



Cabinet

Stores Small Parts

Cabinet, with drawer cross-dividers adjustable on 1-in centers, holds small parts. Design permits modular stacking, and rod which inserts down each rear corner locks drawers securely. Cabinets have 18 or 24 drawers of 2 optional depths.

Price: \$28 to \$39. **Delivery:** immediate.

Bay Products, 1801 W. Cambria St., Philadelphia 32, Pa. (PW, 1/9/61)



Crane Control

Works Remotely

Transmitter allows remote ground control of crane bridge, trolley, hoist, and auxiliary hoist. Transmission method prevents activation of crane by extraneous signals of motors or other equipment. System gives instant reaction to command.

Price: \$5,950. **Delivery:** 9 mo.

Barrett Electronics Corp., 630 Dundee Rd., Northbrook, Ill. (PW, 1/9/61)



Paper Clip

Color Codes File Materials

Plastic paper clip comes in five colors suitable for flagging and identifying file material. Elastic, unbreakable clip runs through office machines without damage. Weight is 1/8 that of a wire clip.

Price: \$2.80/M (5M lots). **Delivery:** immediate.

Robert Black & Assoc., Traverse City, Mich. (PW, 1/9/61)



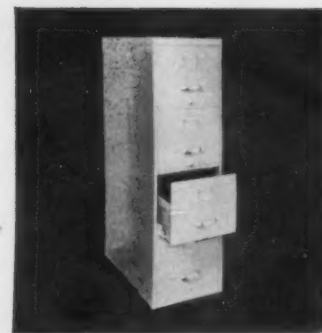
Gas Detector

Warns of Combustible Vapors

Instrument detects concentrations of dangerous vapor mixtures. Sensor unit installs in area to be tested. When control unit, located in convenient place, is switched on, wire sensing elements react in seconds and indicate concentration on meter.

Price: \$82. **Delivery:** 4 to 5 wk.

Englehard Industries, Inc., 75 Austin St., Newark 2, N. J. (PW, 1/9/61)



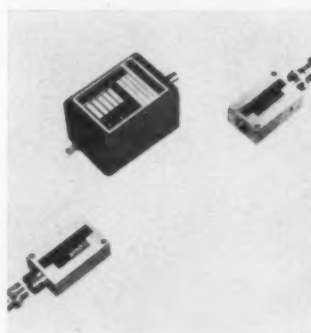
Filing Cabinet

Has Easy Drawer Action

Cabinet's full-suspension drawer cradle with rubber-cushioning bumpers permits easy, quiet operation. Free-floating steel balls and rollers eliminate axles and reduce friction to a minimum.

Price: \$63 (4-drawer, letter-size). **Delivery:** immediate.

Western Mfg. Co., Aurora, Ill. (PW, 1/9/61)



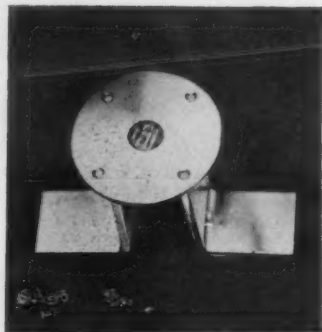
Controller

Has Wide Sensitivity Range

Transistorized photoelectric controller has wide sensitivity range. Counting rate is up to 2,000 per minute. Sensing range is from fractions of an inch to 8 ft. The system works on 115 v., a.c. and may be light or dark operated.

Price: \$58.50. **Delivery:** 2 to 4 wk.

Syracuse Electronics Corp., P. O. Box 566, Syracuse 1, N. Y. (PW, 1/9/61)



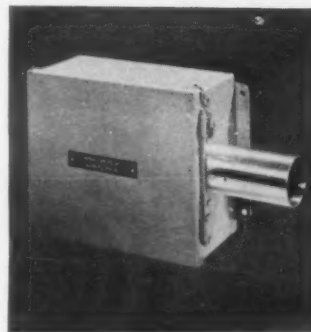
Concrete Insert

Anchors Heavy Loads

Insert anchors heavy loads in concrete walls and ceilings or acts as floor mount for machinery and equipment. Circular plate is flush with surface after removal of concrete forms. 5/8-in. nut floats in sealed compartment.

Price: \$1.40. **Delivery:** immediate.

Foster Illinois Corp., 1238 Harrison St., Chicago 7, Ill. (PW, 1/9/61)



Infra-Red Relay

Detects Temperature Changes

Adjustable heat-sensing device works at distance from hot forming processes to actuate auxiliary equipment. The unit can sense a 12-in. square area at 20 ft. Changes in temperature will energize the relay.

Price: \$675. **Delivery:** Approx. 30 days.

Daystrom, Inc., 614 Frelinghuysen Ave., Newark 12, N. J. (PW, 1/9/61)



Filler Material

Adheres to Most Surfaces

Polyster resin filler, with cream hardener, adheres firmly to metal, wood, plastic, and other materials. It will not rust, corrode, shrink, flake, chip, or peel. It is supplied in 1/2-pint, pint, quart, and gal. sizes.

Price: \$1.44 (1/2 pint). **Delivery:** immediate.

Magic Iron Cement Co., Fidelity Bldg., Cleveland, Ohio. (PW, 1/9/61)



Silicon Spray

Applies Thin Coating

Aerosol spray applies silicone rubber film where thin, thermal, protective, shock absorbent, or non-conductive coating is desired. It resists temperatures from -65 F to 600 F and gives easy release of molded plastic parts.

Price: \$14.85 (3 cans with 3 cans of catalyst).

Delivery: immediate.

General Electric Co., Waterford, N. Y. (PW, 1/9/61)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



Goggles

Increase Comfort

Recessed slots at sides of goggles fit over glasses without bulging. Eyecup depth gives maximum ventilation, and wide mask edge comfortably molds to the face. Snap button securely holds lens, which removes easily for cleaning.

Price: \$1.25 to \$1.50. **Delivery:** immediate.
American Optical Co., Southbridge, Mass. (PW, 1/9/61)

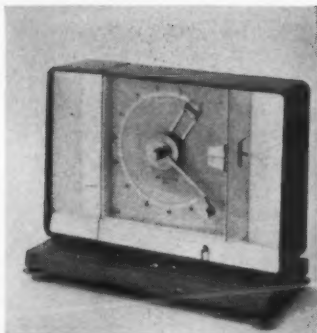


Anti-Stick Agent

Speeds Mold Release

Reinforced fluorocarbon agent gives low-friction surface to eliminate mold sticking. Pressurized spray covers completely and dries instantly without leaving a gummy or oily film, and lasts for several cycles. It is thermally stable to over 500 F and also is a parts lubricant.

Price: \$2.50 (6 oz.) **Delivery:** immediate.
Dixon Corp., Bristol, R. I. (PW, 1/9/61)



Balance

Gives Precision Weights

Precision balance weighs in ranges from 0-3 mg. to 0-50 g. Counterweights can increase capacity to three times that of scale value. Vernier index permits accurate reading to 1/10 scale division with an accuracy of $\pm 0.1\%$.

Price: from \$290. **Delivery:** immediate after March.
Federal Pacific Electric Co., 50 Ave. L, Newark 1, N. J. (PW, 1/9/61)



Brazing Torch

For High-Heat Work

Torch for high temperature brazing and overlay work uses built-in aspirator to feed powdered metal into the flame. Powder is drawn from hopper attached to the torch body. For volume work, a hose connects to draw from a large container.

Price: \$150. **Delivery:** 1 wk. to 10 days.
Coast Metals, Inc., Little Ferry, N. J. (PW, 1/9/61)



Spray Gun

Atomizes More Evenly

Airless spray gun increases internal turbulence for more even atomization. Spray pattern is accurately controlled and gives correctly feathered edges for proper overlap of gun passes. Required pressures are sharply lowered.

Price: \$119. **Delivery:** immediate.
Nordson Corp., Amherst, Ohio. (PW, 1/9/61)

This Week's

Product Perspective

JANUARY 9-15

FLEXIBLE TUBING is replacing rigid metal ducts in a variety of applications. The tubing, which is made by bonding a coating (fiberglass, dacron, nylon, Teflon, etc.) on top of a spring steel core, is lightweight and easy to install.

First job for the flexible ducts was ventilation on Navy ships—but makers now have expanded into jobs ranging from household vacuum cleaner hoses to grain ship unloading ducts. **Main uses include: air conditioning, dust fume and moisture removal, materials handling, vacuum cleaning, mine and tunnel ventilation, aircraft and missile and rocket ducts.**

• Since the tubing has a relatively lightweight covering—as opposed to sheet steel—one man can usually handle several lengths. **Flexible ducts may be easily bent** around obstructions and snaked through tight places. **Temperature ranges are available from below zero to hundreds of degrees above.** Installation takes only a pocket knife, side cutters, and an adhesive.

The spring steel helix gives the outer covering relatively high strength and crush resistance. Flame, water, and chemical resistance are said to outlast metal ducts under normal service. The absence of corners on flexible ducts makes for extremely smooth air flow—even with the tubing turned at any angle.



Tube size varies from less than 1-in. to over a foot—models shown in the photo above.

STANDARD SIZES mean substantial cost savings. A wide variety of stock sizes are available and manufacturers' catalogs should be checked before a "special" is specified. **Here are some ordering tips from the Flexible Tubing Corp.—a major industry supplier:**

- Measure the length required.
- See if there's a standard diameter available that meets your requirement.
- Specify the intended use to get the correct specification tubing and connections to do the job.
- State operating conditions (oil, acid, salt, spray, humidity, fungus, etc.) under which it will be used.

SPECIAL SIZES AND SHAPES can be designed when necessary. **Here's what the manufacturer must know to design a special:**

- (1) Duct dimensions: inside diameter, outside diameter, length, extension and/or compression, end connections or finish.
- (2) Temperatures: ambient, internal, external, and operating.
- (3) Pressures: negative, positive, internal, external, and proof.
- (4) Heat transfer and allowable loss.
- (5) Special conditions: corrosive materials, abrasive environment, operating stresses, etc.
- (6) Delivery time.

• • •
IBM has come up with a new system for using light waves as a communication medium. The device, which has been the elusive goal of scientists for many years, is expected to have far reaching scientific and industrial implications. **But practical uses are still some years off.**

The IBM masers operate on about 1/500th the power needed by the ruby maser—the only previous one disclosed. Coherent light waves are produced by the action of ions introduced into a crystal. **The resulting waves have a sharply defined frequency and focus in an intense, highly directional beam.** At a distance of 100,000 miles the waves would focus on an area less than one mile in diameter.

MICR Check Handling Systems Pay Off Despite Higher Costs

Here's How Your Check Should Look

What the Numbers Mean

Pre-printed by your bank:

A—Routing symbol—Reserve District of issuing bank.

B—Transit number—name and location of issuing bank.

C—Account number—identifies your company.

Printed by cashing bank:

D—Process control number—identifies cashing operation.

E—Amount—tells how much was credited.

ABA Specifications

Width: 2 $\frac{3}{4}$ -in. to 3 $\frac{3}{8}$ -in.
Length: 6 in. to 8 in.
Thickness: .003 to .007 in.



SORTING MACHINE separates checks into pockets to speed processing. Auxiliary equipment totals dollar amounts of checks as they pass through machine.

New York—A new standardized check handling system now being installed by banks all around the country is forcing many companies to redesign their checks to meet new bank requirements.

The new system, called MICR (Magnetic Ink Character Recognition) will boost check costs as much as 20%, according to Todd Div., Burroughs Corp., a major check supplier, but will pay off with these advantages:

- More rapid processing of checks.
- Up-to-the-minute bank records.
- Return of payroll checks in proper sequence for reconciliation.

In order to adapt to the system, checks must meet size specifications and carry a line of coded characters imprinted in a special ink. Special data processing equipment in the banks automatically reads and sorts the checks. Tied in with more sophisticated equipment, including computers, magnetic ink lends itself to a complete electronic bookkeeping system.

Costs of the new checks will vary according to the type of check used, its design, and the number of colors involved, Todd Div. says. Stringent tolerances for the imprinted characters (requiring a closer control program) and the special ink contribute to the added expense. Initial check redesign should cost under \$50. Where a bank supplies a company's checks, its policy will decide how much, if any, of the increase will be passed on to the customer.

The American Bankers Assn. adopted the program to meet the skyrocketing increase in the use of checks. Over 14-billion checks will be written this year—compared with about 3-billion prior to World War II. This figure is increasing at a billion-a-year rate and conservative estimates for 1970 swell the total to about 22-billion. Business and payroll checks will account for as high as 60% of this volume.

Key to MICR is the line of characters imprinted in a special type font, (designated E-13B) of stylized arabic numerals. These characters record all vital information located on the face of the check within a $\frac{3}{8}$ -in. band along the check's bottom length. Provision for this band is the major redesign specification.

Before adopting MICR, the banks had experimented with varied optical sorting systems. These failed primarily because information written or stamped over the font characters disrupted the reading process. MICR hardware reacts only to magnetic ink and is not affected by writing, smudges, and the like.

The encoded characters contain all essential information: the name and location of the bank on which the check is drawn, where it is to be routed for payment, and the account number. In order for equipment to be able to sort checks into sequence for reconciling, serial numbers also must be imprinted. When the check is deposited at the bank for processing, the amount is imprinted in magnetic ink by an encoding machine.

Electronic data processing equipment can read the encoded information and sort checks at speeds ranging from 750 to 1,650 a minute. The pile of checks is fed into the sorting machine where the ink, which is not magnetic but has a 60% content of minute iron particles, responds to a momentary electric charge.

A reading head receives the impulses set up in the ink and translates them into signals. Picking up the signals, the machine directs the checks into hoppers similar to those in conventional punched-card sorting machines. Depending on equipment, number of hoppers ranges from 12 to 18. As a side-product, amounts read from checks are totaled and printed on an accumulator tape during a sorting run.

Companies (except the ultra-large, perhaps) will find little use for the reading/sorting equipment which is designed primarily for bank use. These reader-sorters cost from \$62,000 to \$89,500 (with monthly rentals from \$875 to \$2,480).

Redesigning checks to a basic rectangular shape may doom such odd shapes as bread loaves, bottles, and fishes which are used as advertising gimmicks. Melvin Miller, ABA deputy manager, told PURCHASING WEEK that users of such checks may have to pay a penalty as the program broadens.

MICR will not obsolete punched-card checks, although the punching field may have to be rearranged if it falls within the restricted area of the bottom band. Redesign of related stationery also may be required. Window envelopes, for instance, which take their address from a check will have to be changed if the addition of the band pushes the address out of the window area.

Magnetic ink coding may have a number of other applications other than banking. General Electric, for example, now has a machine which can sort utility bills. Inventory control, mail order operations, retail accounting, and transportation reservations are other possibilities.

Your Guide to New Products

(Continued from page 25)



Lubricant

Frees Seized Parts

Non-gumming lubricant penetrates rust and corrosion to free tight pins, hinges, nuts, valves, and other parts. Available in a 16-oz. aerosol can, the spray increases parts life and minimizes wear, and is effective even in salt atmospheres.

Price: \$2 (16 oz.). **Delivery:** immediate.
Whitmore Mfg. Co., Cleveland 4, Ohio.
(PW, 1/9/61)



Meter

Registers Elapsed Time

Elapsed time meter indicates total time that a particular circuit is energized. It is suited for applications such as tube replacement programs and maintenance scheduling of electrical equipment. Reset knob is optional.

Price: \$10 to \$25. **Delivery:** immediate to 6 wk.

Westinghouse Electric Corp., Box 2278, Pittsburgh 30, Pa. (PW, 1/9/61)



Battery Holder

Protects Against Shock

Holder for "D" cell batteries has spring-loaded end allowing insertion of cell in tight spots. Locking strap holds battery in place under severe conditions of shock and vibration. Holder is suited for use in all types of circuits.

Price: Approx. 95¢. **Delivery:** immediate.
Cambridge Thermionic Corp., 445 Concord Ave., Cambridge, Mass. (PW, 1/9/61)

Vapor Recovery System Cuts Costs Of Solvents in Degreasing, Cleaning

Minneapolis—Vic Mfg. Co. has announced a new process that recovers vapors usually lost during degreasing and cleaning operations—cutting solvent costs up to 66%.

The company claims that during 3 years of field testing:

- General Electric reported recovery of 66% of solvent in one plant.

- Great Northern Railway reduced solvent costs by 60%.

- Minneapolis Honeywell Regulator's machine shop averaged \$6,000 savings in trichlorethylene with a 55% to 60% solvent cost reduction.

In addition to cutting solvent costs, the system also eliminates side effect problems of vapor-laden air, including surface corrosion of finished parts that interfere with painting operations. Elimination of fumes previously meant increasing ventilation which further increased the loss of solvent vapors.

Vic's Vapor Recovery System draws evaporated solvent into a

specially designed tank with a bed of activated carbon. A steaming and decanting process returns clear, usable solvent. Reclaimed solvents have been submitted for testing to original manufacturers who reported, in all cases, "perfect for reuse."

The system is available in 11 automatic and manual models designed for compact installation. Savings effected in average installations are reported to pay for the system within a year.



SPIRIT MASTER can be made from any printed or drawn original on special master developed by A. B. Dick Co. Original and master are inserted in standard heat-transfer copying machine to image master.

Single Grade Motor Oil

Los Angeles—Standard Oil of California has introduced, at a 5¢ premium, a single-grade motor oil designed to prevent the sludge and wear caused by stop-and-go driving.

Claimed to be the first ashless detergent oil of its type, it reduces cylinder wear to half that caused by conventional oils, Stancal reports. The oil is a single-grade version of its multi-grade "RPM Supreme."

Stancal plans to widen the marketing area for the new "RPM Special", now limited to Los Angeles, as manufacturing capability increases in 1961.

B.F. Goodrich Introduces Truck Tire to Overcome Tough Traction Problems

Akron—B.F. Goodrich Tire Co. has unveiled a truck tire with a new tread pattern that gives good traction in reverse as well as forward gear.

The tread features a "non-directional" pattern consisting of indented and staggered open-shoulder cleats to maintain traction in rough terrain; and V-shaped grooves to expel mud, snow, and stones. The extra-deep treads put more rubber on the road than any tire of this type, the company said, increasing wear as well as traction.

Two tread designs, in both nylon and Tyrex, fit the needs of small delivery-type vehicles and heavier types such as school buses and off the highway construction trucks likely to encounter severe traction problems.

Product Briefs

Conveyor is totally enclosed, air-powered vibrating unit for moving bulk quantities of pelleted metals without dust or contamination. Each unit is 3 ft. long and has a 6-in. diameter conveyor tube. Flow is regulated by adjusting the air supply pressure. *The Cleveland Vibrator Co., 2828 Clinton Ave., Cleveland 13, Ohio.*

Ladder-truck gives safe and quick access to high bins and shelves in handling small parts. Shelves of the hand truck hold parts for distribution or pick-up. Attached spring-loaded ladder is depressed by the operator's weight and provides a braking action with rubber-tipped legs. *Truck & Caster Co., 1201 W. Division St., Faribault, Minn.*

Tape cartridge plays continuously without rewinding. Message may be of a few seconds or a full hour. The plastic cartridge plugs into the playing unit for automatic telephone answering, employee training, repetitive direction, oral drill, etc. *Cousino Electronics Corp., Toledo.*

GAYLORD delivers on time in every packaging zone

Gaylord's nationwide network of converting plants assures you of on-time delivery, wherever you are. Never too much, too soon. Never too little, too late. Always prompt delivery of the precise quantity to keep your packaging line running like clockwork.

Get the timely facts from your nearby Gaylord Man. He's punctual, too.



CROWN ZELLERBACH CORPORATION
GAYLORD CONTAINER DIVISION



IN CANADA - CROWN ZELLERBACH
CANADA, LTD. VANCOUVER, B.C.
HEADQUARTERS, ST. LOUIS
PLANTS COAST TO COAST

Your Guide to New Products

(Continued from page 27)



Maintenance Platform

Easy to Move

Telescoping aluminum platform adapts readily to the bed of any pick-up truck and can be quickly removed for use inside buildings. Units come in 14-ft., 19-ft., and 24-ft. heights and fold down compactly to roll through doorways.

Price: \$433, \$503, and \$573. **Delivery:** 2 to 3 wk.

Up-Right Scaffolds, 1013 Pardee St., Berkeley, Calif. (PW, 1/9/61)

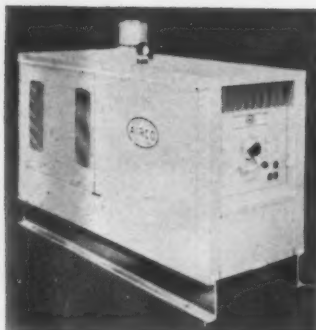


Shearing Machine

Cuts Any Metal

Machine performs as a jigsaw, cutting straight lines, circles, and all shapes. It cuts any type of metal and plastic sheet in seconds without deformation. Attachment kit adds louver cutting, folding, beading, and bowl-forming.

Price: \$1,055. **Delivery:** approx. 2 mo.
Montague-Harris, 5301 Pacific Blvd., Huntington Park, Calif. (PW, 1/9/61)



Welder

Doubles as Power Plant

Diesel welder is designed for rough usage. Rated at 250 amp. and utilizing a 4-cycle, 3 cylinder, direct injection type diesel engine, it is available both as a d.c. welder/a.c. power plant, or as a d.c. welder alone.

Price: Approx. \$1,970 and \$2,300 (welder-plant). **Delivery:** immediate.

Air Reduction Co., Inc., 150 E. 42nd St., New York 17, N. Y. (PW, 1/9/61)



Reducer

Offers High Capacities

Line of worm gear speed reducers offer capacities up to 175 hp. Nine sizes range between 3-in. and 12-in. center distances. Ratios extend from 4-1/7:1 to 95:1; ratings, fractional to 175 hp.

Price: \$136 to \$2,376. **Delivery:** immediate to 2 wk.

Eaton Mfg. Co., 3300 E. 80th St., Cleveland 4, Ohio. (PW, 1/9/61)

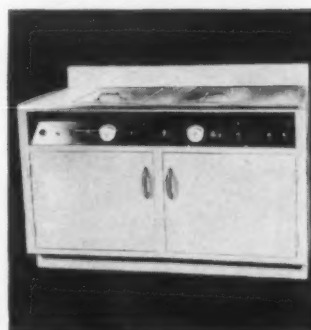


Intercom Phones

Need No External Power

Transistorized intercom phones use batteries as power source. Red signal button on phone alerts person at other end. Black speaking buttons are depressed during conversation. Connection is regular lamp-type cord.

Price: \$49.95 a pair. **Delivery:** 2 wk.
Jobet Industries, Inc., 547 W. South Park Ave., Oshkosh, Wis. (PW 1/9/61)

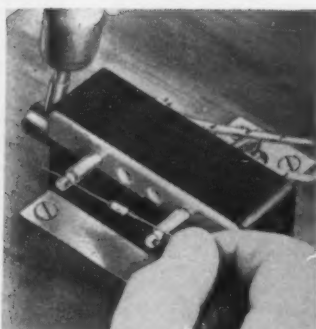


Ultrasonic Cleaner

Features Trim Design

Console-type ultrasonic cleaner is designed for laboratories and "clean rooms." Models are available with one, two, or three chambers in six sizes, each ranging from 2-gal. to 13-gal. capacities.

Price: \$895 to \$3,000. **Delivery:** 4 to 6 wk.
National Ultrasonic Corp., 111 Montgomery Ave., Irvington 11, N. J. (PW, 1/9/61)



Fixture

Speeds Parts Testing

Fixture seizes pigtailed diodes, transistors, capacitors, and resistors and makes low-resistance test connections without danger of bending or breaking leads. Jaws are located 1 1/2 in. apart and are operated rapidly by handle.

Price: \$32.50. **Delivery:** immediate.
Precision Metal Products Co., 41 Elm St., Stoneham, Mass. (PW, 1/9/61)



Packaging Machine

Seals 35 Lb. Loads

Portable machine packages loads up to 13 in. x 17 in. x 6 in. high. Materials are pre-loaded on corrugated backing board and inserted in platen area where a polyethylene film is automatically heat-and vacuum-sealed. Unit will package a load of up to 35 lb. Average cycle is 30 sec.

Price: \$995. **Delivery:** 7 days.
MFP Co., 333 N. Bayshore Blvd., San Mateo, Calif. (PW, 1/9/61)

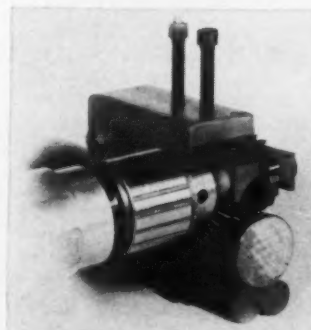


Power Supply

Generates High Voltage

D.c. power supply with output range up to 350 kv. is designed for dielectric testing of cables and klystron apparatus, for particle accelerators, and study of high voltages. It gives continuous current of 8 ma. at any output voltage.

Price: \$13,500. **Delivery:** approx 4 mo.
Sorenson & Co., Inc., Richards Ave., South Norwalk, Conn. (PW, 1/9/61)



Keyseat Cutter

Works On-The-Job

Woodruff keyseat cutter saves disassembly time by cutting right on-the-job. Open back end permits it to be slipped onto any length shaft and to work closely in tight quarters. It automatically centers on all shafts and uses 1/2-in. drill for power.

Price: \$24.95. **Delivery:** immediate.
Gary Steel Products Corp., 4400 W. Ninth Ave., Gary 4, Ind. (PW, 1/9/61)

New Jersey Zinc Sees Zamak 7 Replacing Other Casting Alloys

New York—New Jersey Zinc Co. has unveiled a new zinc alloy, Zamak 7, which it believes eventually will replace other alloys for zinc die casting.

The new alloy also is expected to offer stronger competition to aluminum and magnesium than either No. 3 and No. 5, the two grades now in widest use for die castings.

Price of Zamak 7 is 15¼¢/lb. First shipments now are being made of the new alloy, which took 10 years to develop.

Advantages

New Jersey Zinc cited the following advantages for its new product:

- Its increased castability will cut the rate of rejections, thus boosting production of dies by at least 10%.

- It will make possible production of larger, more complex castings with thinner wall section.

- The lower temperatures required for casting the new alloy, 760 F compared with 790 F for the older alloys, will prolong the life of dies and result in fuel savings.

- Zamak 7 provides smoother surface finishes, which will result in substantial reductions in pre-plating costs.

About 90% of all zinc die cast-

ings now are made from No. 3, which has properties close to those of No. 5, but is cheaper because it contains no copper. No. 3 costs 15¢/lb., while No. 5, which contains 1% copper, is priced at 15¼¢/lb., the same as the new alloy.

Zamak 7 contains basically the same ingredients as the No. 3, except that a small amount of nickel has been added and the amount of magnesium has been reduced.

Sears Draws Bead on Ceramic Muffler Market

Cleveland—Sears Roebuck & Co. has tapped Enamel Products Co. to produce ceramic coated mufflers for the automotive replacement market.

The company has for the past nine years been supplying ceramic coated mufflers for a portion of White Motors truck lines. The firm also produces a relatively restricted number of these mufflers for the truck replacement market.

Made News Last Fall

Ceramic coated mufflers made news last fall when American Mo-

tors introduced them as original equipment on '61 models and began guaranteeing the exhaust system for as long as the original buyer owns the car.

American Motors is being supplied by another firm, Boettinger Corp., Toledo.

Sears is currently stocking 12 stores with mufflers for 11 models of Ford and General Motors cars, and is guaranteeing them for a five-year period.

Sears is pricing the mufflers at \$14.44 installed on standard size cars and \$16 installed on larger

size models. The price is approximately \$2 over the cost of noncoated heavy duty mufflers, Sears says.

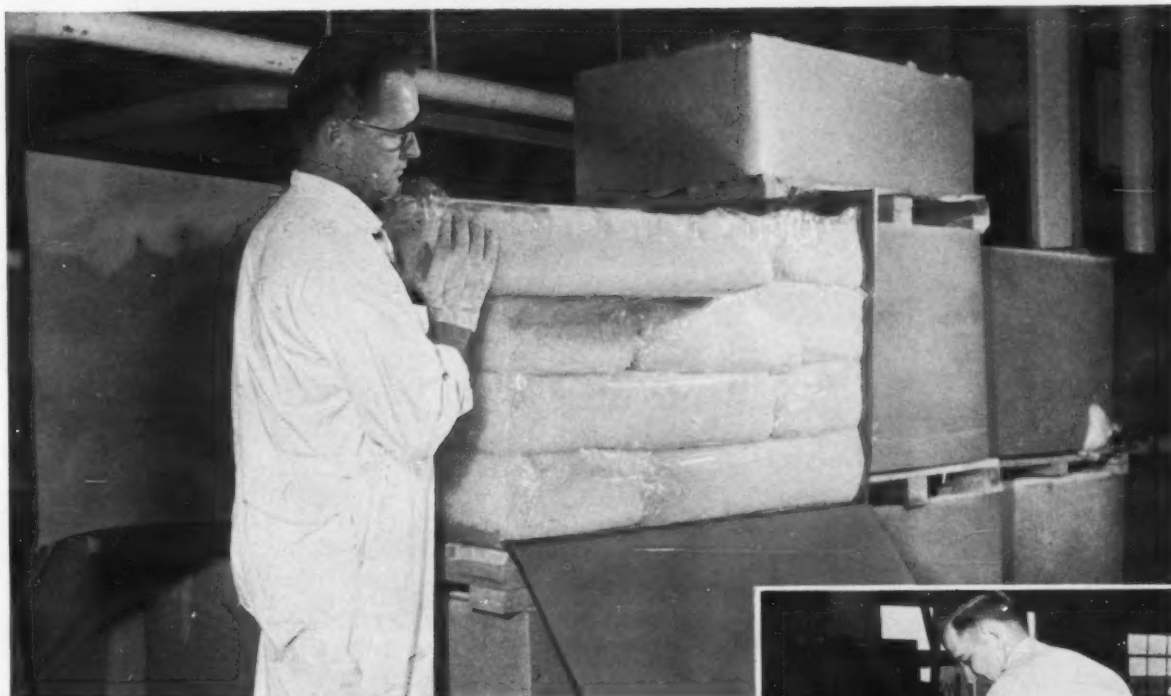
Similar to Sink Enamel

Enamel Products says its ceramic coating for automobile mufflers is an inorganic vitreous material with acid resistant qualities comparable to those of materials used to coat kitchen sinks.

A dip-coating process assures complete coverage of the coating material, an essential to good performance, a spokesman said.

SILICONE NEWS from Dow Corning

Silicones lighten the load



Prevent sticking, cut costs with Syl-off paper coatings

Syl-off® silicone coatings on paper and paperboard make it easier to unpack sticky products . . . simplify and speed handling. Even such tough stickers as raw rubber, asphalt, adhesives and plastic bases come away cleanly and quickly from all types of containers and process papers coated with Syl-off. Nonmigrating and noncontaminating, these anti-adhesive silicone coatings help processors remove all of the product . . . cutting waste to the bone . . . minimizing unloading time.

More Applications. Pressure-sensitive decals, labels, decorative trims and wallpapers peel free in a flash without tearing from Syl-off coated separators or backing papers. Use of food grade Syl-off coatings on food packaging papers is in compliance with provisions of the Food Additives Amendment of 1958.

Benefits All. Everyone who buys, ships or uses sticky products profits from Syl-off coated papers. Even your shipping costs are lower because Syl-off coatings actually weigh less than other release coatings.

For Information about properties and applications of Syl-off . . . and for a list of sources for paper products with Syl-off coatings, contact the Dow Corning office nearest you. Address Dept. 7513.



Arbitration Answer

The arbitrators were able to resolve the dispute on Page 22 without inspecting the skins. Their decision was that the skins were the property of the buyer and had to be delivered to him on demand. But in accepting delivery under those conditions, the buyer was waiving his right to protest later if the merchandise proved to be mildewed.

Delivery was made as directed, and the pocketbook manufacturer found the skins in perfect condition. This confirmed his impression that the dealer was trying to make a bigger profit by reneging on his original agreement. It also confirmed the manufacturer's feeling that there is nothing like arbitration when the practical decision, based on knowledge of contract law and trade practices, is required.

The American Arbitration Assn. is a private, nonprofit organization that helps businessmen, management, labor find peaceful, fair-minded solutions to their quarrels. Many contracts between buyers and vendors contain a "future dispute arbitration clause," directing that any controversy or claim be settled in accordance with AAA rules.

Services of the association in adjudicating disputes are available in key business and industrial centers across the country. **For further information, contact the AAA at its main headquarters, 477 Madison Ave., New York 22, New York.**

Your best source for information about silicone paper coatings, defoamers and anti-blocking agents is the Dow Corning office nearest you.



Dow Corning CORPORATION
MIDLAND, MICHIGAN

ATLANTA BOSTON CHICAGO CLEVELAND DALLAS LOS ANGELES NEW YORK WASHINGTON, D. C.

Foreign Perspective

JANUARY 9-15

Tokyo—The Japanese steel industry will need big injections of foreign capital if it is to keep up with intensified U.S. and European competition in 1961, according to Nikko Securities Co., a leading investment firm here. In a year-end analysis of the outlook for Japanese commodities in 1961, Nikko also makes these predictions:

• **Nonferrous metals** will continue in high production, though a major increase in installations may bring oversupply of aluminum.

• **Petrochemicals** are expected to continue their gains with capital investments up 100% over last year. Increased competition could force some price "adjustments," however.

• **Plastics** stockpiles are growing, especially vinylchloride. New resins will be plagued by materials problems and commercialization difficulties.

• **Textiles** face continued problem of oversupply with the need to increase exports. Synthetic production is still up, but capital outlays will be slightly lower than in 1960.

• **Electronics** industry will place increasing stress on the transition from quantity to quality.

• **Machine tool and industrial machinery.** Liberalization of import policies is expected one year ahead of schedule. Resulting foreign competition is

expected to accelerate specialization in machine tool field, despite current favorable export pace.

Montreal—With the Canadian dollar falling into closer alignment with the U.S. dollar, Canadian exporters are predicting lower prices and manufacturers foresee a more competitive climate.

The price of the Canadian dollar in terms of U.S. funds began its fall when Canadian Finance Minister Donald Fleming raised all withholding taxes on dividends and interest paid to foreigners to a uniform level of 15%. Since then, the gap between the Canadian and the U.S. dollar has been narrowing. Over a 10-day period it fell from 2¢ to 9/32¢.

Some exporters and manufacturers are predicting that the premium will disappear entirely, and most are sure it will hold at a fraction of a cent. There's support for this belief from Fleming himself, who said it was his "personal opinion that the rate will settle at or fractionally above par." He mentioned an outside, but unlikely, possibility that it might even fall below the price of the American dollar.

London—There have been a number of signs in the past few months that the British were edging toward a position that might eventually result in full British membership of EEC—or at least an association close enough to satisfy the Six. But it's a slow process.

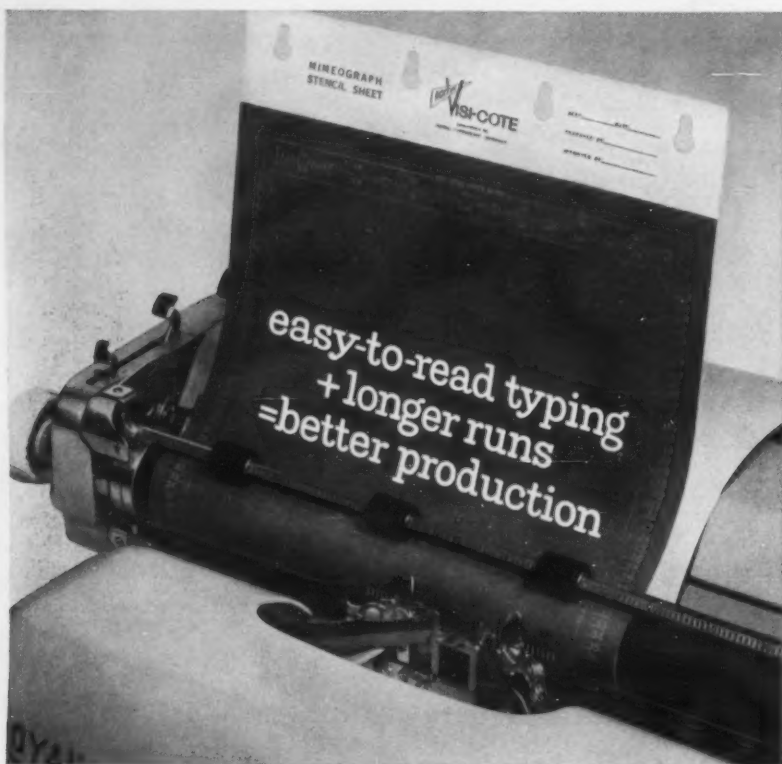
There's still much argument—in and out of government—over what concessions the country should make on the three old obstacles: the Commonwealth, agriculture, and "supranational institutions." And it's still far from clear on what terms the Six—particularly France—would welcome Britain to the fold. Moreover, Britain must now consider its EFTA associates as well as itself.

All that can be said now is that the government continues its probing for possible solutions, with a good deal more flexibility than in the past. Many Britons will consider this a bleak year if no solution is found.

Berlin—The prospect of a new Berlin crisis was sharply reduced—at least for the time being—when West Germany and the Communists came to terms over two disputed trade pacts.

On the last day of 1960, Bonn and Moscow signed a new three-year agreement calling for a 20% hike in trade to about \$460-million worth each way. Almost at the same time, the on-again-off-again talks between West Germany and East Germany, wound up with agreement to continue trade in 1961.

East and West German negotiators agreed at their ninth meeting that trade relations would continue on the basis of a trade agreement cancelled last September 30. West Germany cancelled the agreement when the Communists banned entry of West Germans into East Berlin without special passes. No backdown on the matter of passes was indicated, nor were any guarantees obtained that the Communists would safeguard trade in West Berlin.



NEW ROYTYPE VISI-COTE STENCIL

New Roytype VISI-COTE Stencil eliminates eyestrain. All typing stands out with remarkable clarity. It can be read and proofread without squinting or holding up to the light.

Roytype VISI-COTE has extra strength for heavy duty. Sturdy plastic coating minimizes filling in type with wax—reduces time lost for cleaning of type. Typists also save time making corrections, because no plicofilm sheet is needed.

Roytype VISI-COTE's new wet-strength base tissue takes the place of the ordinary cushion sheet. Gives you longer runs and clearer, sharper copies. Good to know.

Your Roytype Representative can show you how your office production can profit with VISI-COTE. Why not give him a call? And for a FREE trial sample, just mail the coupon.



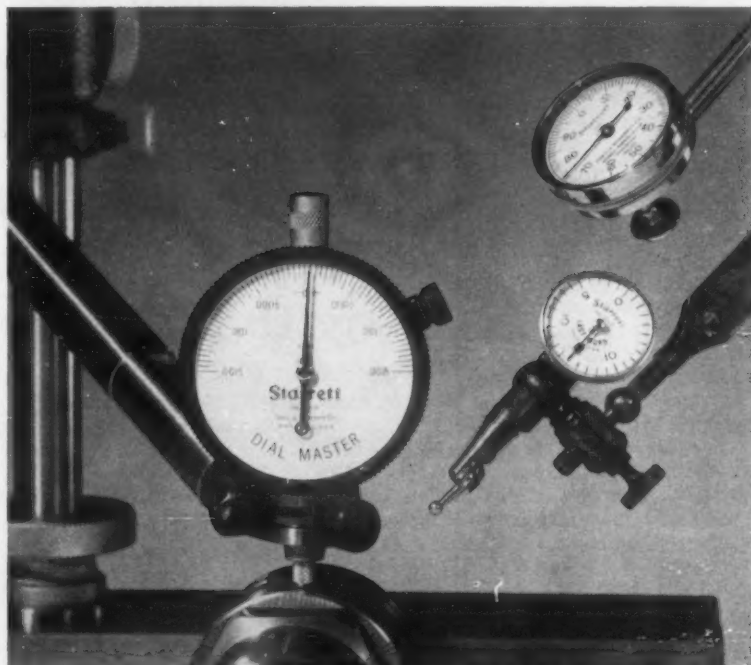
ROYTYPE

A complete line of business supplies... expert help... and the fastest service, too.

ROYTYPE, Royal McBee Corporation
Westchester Ave., Port Chester, N. Y.

Please have your ROYTYPE Representative bring me a Free Sample of your VISI-COTE Stencil.

Name _____
Title _____
Company _____
Address _____
City _____ Zone _____ State _____

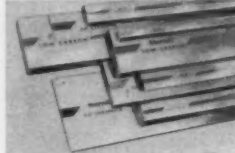


new Starrett® dial-master super precision dial indicator

Designed to bring laboratory standards to shop inspection and for laboratory work, new Starrett No. 25-106 DIAL-MASTER Super Precision Dial Indicator is graduated to .00005", accurate to ±.00001" and reads .0015-.0015 with a total range of .003". It is an outstanding addition to the complete line of Starrett Dial Indicators and Dial Gages available through your nearby Industrial Supply Distributor along with the many other highest quality Starrett products. Call him — or write for complete Catalog No. 27. Address Dept. FW, The L. S. Starrett Company, Athol, Massachusetts, U.S.A.



PRECISION TOOLS PRECISION GRINDING AND FLAT STOCK



World's Greatest Toolmakers



MICROSCOPE, MILL SAW, BAND SAW, BAND SAW

Industry News in Brief

J & L Opens New Center

Chicago—Wire Rope Div. of Jones & Laughlin Steel Corp. has opened a new service center here. The center will handle a complete line of the company's safety and lifting equipment, including all standard and custom wire rope. It will also feature additional services for customers such as a "while-you-wait" repair service.

Alcoa Installs Paint Line

Pittsburgh—Aluminum Co. of America has installed a 24-in. paint line for production of pre-painted aluminum sheet at its Davenport, Iowa, plant and is putting the finishing touches on a 48-in. wide paint line. Both lines will supplement the company's 60-in. line, already in operation at Alcoa's Tennessee works. The company reports a growing demand for colored aluminum sheet as the reason for the expansion.

Chemetron Buys

Chicago—Chemetron Corp. has purchased the Northwest Chemical Co., Detroit, and will operate it as part of its Chemical Products Div. Northwest manufacturers metal cleaner, acid addition agents, phosphate coating, paint strippers, and conditioning agents for the metalworking industry. Present officers of the Detroit Company will remain in charge of operations.

Crown Zellerbach Plants

Bogalusa, La.—Crown Zellerbach Corp. has started operations at two new chemical plants utilizing residuals from the company's neighboring pulp and paper mill. The plants will convert "black liquor" from the paper mill's kraft paper recovery system into dimethyl sulphide, dimethyl sulphoxide, and methyl mercaptan. Annual output of both plants is expected to be: 10-million lb. of sulfide, 5-million lb. of sulfoxide, and 1-million lb. mercaptan.

Cornwall Opens Plant

Massena, N. Y.—Cornwall Brass & Iron Foundries of Cornwall, Ont. will open a plant here early this year to produce castings for Reynolds Metals Co., Aluminum Co. of America, and other U. S. metal fabricators.

Square D Buys Plant

Park Ridge, Ill.—Square D Co., manufacturers of electrical distribution and control equipment, has purchased a 98,000 sq. ft. plant from the Gorham Manufacturing Co. The plant, located on the outskirts of Asheville, N. C., will serve as headquarters for Square D's Commercial Control Div.

Snyder to Merge 3 Firms

Philadelphia—Snyder Manufacturing Co. will absorb three wholly owned subsidiaries in 1961: Snyder Tube Mills, Inc., Snyder Stools, Inc., and Snyder Hand Trux, Inc. The company explained the move will eliminate

problems of business and quality control.

Cannon Expands

Los Angeles—Cannon Electric Co. has expanded rubber and injection molding operations at its Los Angeles Div.'s Insulator Manufacturing Dept. New thermosetting molding equipment will boost production by 50%, the company says, as well as insure that all conform to strictest tolerance requirements.

Truitt Metal Fabricators

Durham, N. C.—Truitt Metal Fabricators, Inc., a newly formed company, is planning the immediate construction of a \$200,000 plant near Greensboro, N. C. The new plant will be used to fabricate metals and alloys, with particular emphasis in the heavy plate field.

Mine Shuts Down

Denver—Colorado Fuel &

Iron Corp. has closed its Fredrick Mine at Valdez, Colo. and is cutting down its labor force at the Allen Mine near Stonewall, Colo. Company officials blamed reduced steel production at C. F. & I.'s mill in Pueblo, Colo., for the shutdown and cutbacks.

GE to Boost Output

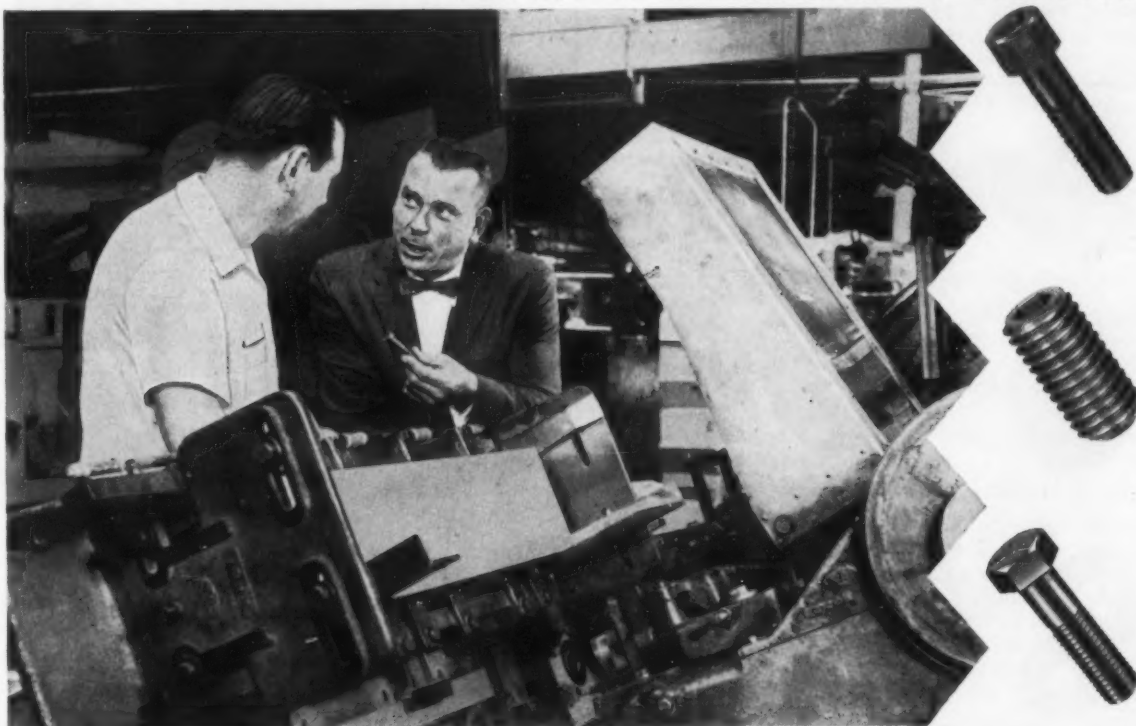
Buffalo—General Electric Co. is considering a major expansion of its transistor plant here. The program would result in a major addition to the plant, which produces various types of transistors, primarily for industrial use. The new expansion program would

follow a large-scale expansion completed last year.

Kerr-McGee to Build

Oklahoma City—Kerr-McGee Oil Industries, Inc. will begin construction of the first privately financed helium extraction plant to be built in the U. S. The plant will be built in the Pinta Field, Apache County, Arizona, designed to process 2.5-million cu. ft. of gas per day from company-owned wells in that area. Kerr-McGee engineers have calculated that recoverable reserves of the Grade A helium to be 600-million cu. ft.

IT PAYS TO STANDARDIZE ON STANSCREW



Stanscrew solves production problem, saves money for *Ball* closures

The specialized machines which every day turn out millions of jar tops, bottle caps, and other closures for Ball Brothers Company, Inc. must work to a very tight production schedule. Fastener failures in this equipment can be extremely costly.

One particular application was a real headache. Even specially designed fasteners failed time and time again. Ball's distributor then called in the Stanscrew fastener specialist. His recommendations included minor redesign, the use of a particular standard fastener from Stanscrew's complete selection, and detailed instructions on its application. This eliminated many production interruptions for Ball... for important savings.

Whether you need fasteners for the maintenance of important production machinery or as components of your finished product, you can often save money by standardizing on Stanscrew... as more and more industrial leaders are learning. Stanscrew offers a complete stock of 5,500 different standard fasteners... produced to the highest quality standards made possible by American technology... to provide economical answers for the overwhelming majority of all industrial fastener requirements.

The suggestions and technical assistance of the Stanscrew fastener specialist may result in significant savings in your assembly and maintenance costs. Your local Stanscrew distributor will be happy to arrange a prompt visit. Call him today.



STANSCREW FASTENERS

CHICAGO | THE CHICAGO SCREW COMPANY, BELLWOOD, ILLINOIS

HMS | HARTFORD MACHINE SCREW COMPANY, HARTFORD, CONNECTICUT

WESTERN | THE WESTERN AUTOMATIC MACHINE SCREW COMPANY, ELYRIA, OHIO

STANDARD SCREW COMPANY 2701 Washington Boulevard, Bellwood, Illinois

P/W REPORTS ON RESALE PRICES

Latest Auction Prices

Prices listed below are actual bids for machinery and equipment in "as is" condition made at specific auctions and, as such, are subject to such varying conditions as location of auction, weather, size and "buying mood" of attendance. When available, age of each item is given in parenthesis.

NOVEMBER 18

Auction held at Palmer Mfg. Co., Phoenix, Ariz. Auctioneer: Milton J. Wershow, Los Angeles.

Progressive 150-kva seam welder, with controls. \$1,100.

Acme 75-kva spotwelder, with controls. \$1,000.

Thompson 75-kva spotwelder, with controls. \$850.

Cincinnati No. 2 horizontal mill. \$1,200.

Niagara squaring shear, 8-ft. table. \$6,750.

Cincinnati 1012 power shear. \$8,500.

Cincinnati 1010 power shear. \$6,250.

Bliss 125-ton mechanical press. \$3,500.

Bliss 400-ton drawing press. \$17,500.

Hamilton mechanical press. \$9,500.

Lake Erie 500-ton hydraulic press. \$10,750.

Niagara A6 1/2, 190-ton press. \$8,250.

Niagara A3 1/2, 45-ton press. \$2,100.

Verson 60-ton-capacity power brake. \$3,750.

Dreis & Krump 60-ton power brake. \$3,750.

Dreis & Krump 25-ton power brake. \$1,350.

Chicago Pneumatic horizontal air compressor. \$900.

Bliss straight-side press. \$2,000.

Dual press brake. \$1,850.

Townsend surface grinder. \$1,250.

Rockford hydraulic openside planer. \$5,000.

Crane-Veyor overhead 5-ton crane. \$1,000.

PullMotor, 5000 lbs. capacity. \$1,600.

Finish bake oven. \$4,000.

NOVEMBER 22

Auction held at Roy Shaffin & Son, Calpatia Land Co., Calpatia, Calif. Auctioneer: Milton J. Wershow, Los Angeles.

Caterpillar D-8 tractor. \$8,250.

International TD-18A tractor. \$3,300.

Caterpillar D-4 tractor. \$2,600.

International FarmAll tractor. \$2,250.

NOVEMBER 16

Auction held at Commonwealth Plastics Corp., Leominster, Mass. Auctioneer: Machinery Auctioneering Corp., New Haven, Conn.

Brown & Sharpe No. 2 light miller. \$1,500.

Cincinnati-Bickford 24-in. superservice upright drill. \$1,750.

Kerane & Trecker 3K plain 1500-rpm miller. \$3,750.

Auctions Sluggish

Auction business is extremely slow at the present time, with far fewer major sales scheduled than at this time last year. This same sluggish pace is noted in the entire resale machinery and equipment market.

One possible reason for the current doldrums is that the recent wave of mergers and consolidations in many metal working industries has been slowed by predictions of a recession.


Companies are understandably hesitant under these conditions to acquire new firms, to reshuffle their production setups, and consequently to dispose of plants and equipment normally declared excess under a new setup.


However, it is generally believed that this recession breathing spell will be of short duration and that business generally will pick up in the spring.


One area that is bucking the current trend to slow sales is Massachusetts and New England—traditionally "dead" in auctioneering circles.

In recent months, sales have drawn unprecedented response and good prices, with odd lots of machinery and equipment—motors, sheetmetal equipment, electrical equipment, plastics equipment, furnaces, nondestructive testing equipment, compressors, and materials handling equipment bringing good prices.

Another noteworthy New England trend: more and more bids going to buyers from companies, fewer to dealers.

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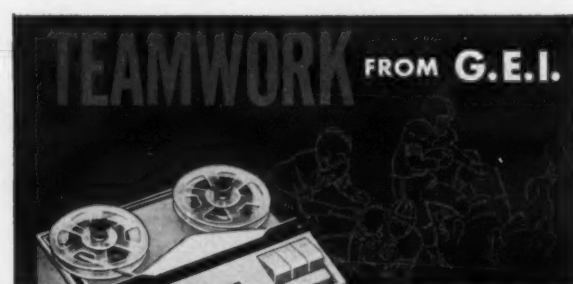
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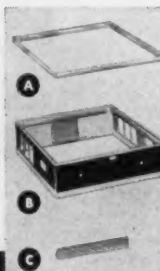
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Altair Manufacturing Co., Route 72, Har-
wynton, Conn.
\$150 million worth of automatic screw
machines and tooling.
WRITE, WIRE, PHONE: Thomas Machinery
Liquidating Co., 1920 Dixwell Ave.,
(Hamden) New Haven, Conn. ATwater
8-3311.

JANUARY 17

Plant at 4033 Whiteside Ave., Los Angeles.
\$250,000 worth of rubber manufacturing
machinery.
WRITE, WIRE, PHONE: M. J. Wershow,
7213 Melrose, Los Angeles.

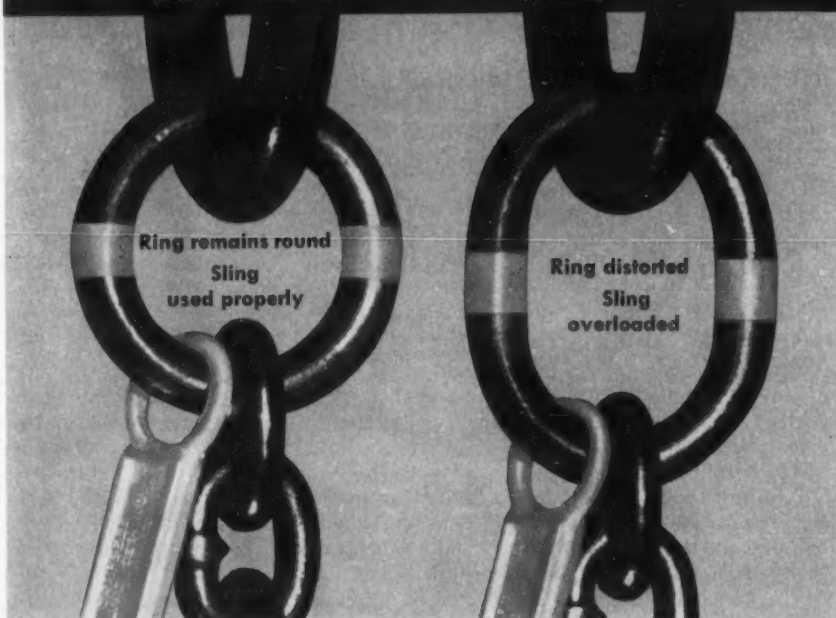
JANUARY 17-18

Aluminum Industries, Inc., Werk Road,
Cincinnati.
\$2 million worth of machine tools and foundry
equipment, etc.
WRITE, WIRE, PHONE: Thomas Machinery
Liquidating Co., New Haven, Conn.

JANUARY 25

Great American Plastics Co., Fitchburg, Mass.
Surplus property disposal sale: lathes, millers,
grinders, OBI presses, hydraulic presses,
plastic machinery, materials handling equip-
ment.
WRITE, WIRE, PHONE: Machinery Auc-
tioneering Corp., PO Box 1960, New
Haven, Conn. STate-7-5751.

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New Books

Data Processing Today: A Progress Report. Management Report 46. Published by Finance Div., American Management Assn., 1515 Broadway, New York 36, N. Y., 143 pages. Price: \$3.75 (AMA members—\$2.50).

How can today's data-processing techniques and concepts be used to meet management's needs? How much will it cost? What does management really want from modern methods of data processing?

Besides answering these questions, this report outlines the relation of data processing to the management information system and particularly emphasizes the most recent advances in the technology of data input and transmission. Some of the successful applications discussed include the use of electronic computers for order handling and billing, sales planning, scheduling and control.

The report also features a detailed account of Chrysler Corp.'s approach to a corporation-wide information-processing system.

From the

Associations

Office Management

Bibliography refers to current material published and films available on office management subjects. Listings include references to over 550 magazine articles and 70 books published from May, 1959, through April, 1960. New films made available during this period are also included. References are broken down into 37 management categories. The 74-page publication is priced at \$5 for non-members. It is available from *National Office Management Assn., Willow Grove, Pennsylvania.*

Aids to

Purchasing

Electronic Parts Catalog

The 25th edition of The Radio-Electronic Master lists specifications and prices of virtually all standard radio, TV, audio, and electronic products sold through distributors. More than 175,000 items of over 330 manufacturers are organized into 32 detailed product sections for rapid reference.

A detailed index pinpoints the products pictured in over 12,000 illustrations. The price of the 1,600-page catalog is \$3.95. *United Catalog Publishers, Inc., 60 Madison Ave., Hempstead, N. Y.*

From the

Manufacturers

Steel Tubing

Gives weight computations for welded steel tubing. Tables give dimensions and weight per ft. for round mechanical tubing up to 10 in. sq., for rectangular tubing up to 5 in., and for pressure tubing up to 5 in. (16 pages). *Jones & Laughlin Steel Corp., 3 Gateway Center, Pittsburgh 30, Pa.*

Diamond Dressing Tools

Gives information on the company's complete line of diamond dressing tools. Catalog inserts cover loose industrial diamonds, diamond compounds, and powders. Others touch on saw blades, drilling bits, mining bits, and grinding wheels. Catalog No. A60. *Diamond Tool Research Co., Inc., 380 Second Ave., New York 10, N. Y.*

Air Conditioning Units

Describes new line of packaged, central station air conditioning units. Integrates all necessary information, making it possible to select the unit, coils, accessories, filters, and traps without referring to separate bulletins. Bulletin No. AC-100 (60 pages). *American Air Filter Co., Inc., Dept. PD, 215 Central Ave., Louisville 8, Ky.*

Power Tools

Lists all of the company's portable air-powered and electric tools. Seven categories include information on treat drilling, fastening, abrasive, and special tools. Catalog No. 61 (72 pages). *Buckeye Tools Corp., Sales Dept., 5003 Springboro Pike, Dayton 1, Ohio.*

Molding Compounds

Describes the properties, uses, and molding requirements of compounds based on the company's diallylphthalate resins. Data includes physical and electrical properties, chemical and fungus resistance and flame-proofing. (26 pages). *Food Machinery & Chemical Corp., Chemicals & Plastic Div., 161 E. 41st St., New York 17, N. Y.*

Office Copying Machines

Lists case histories of application of company's equipment in business and industry. Describes operation and capabilities of machines. (16 pages). *Eastman Kodak Co., Business Photo Methods Sales Div., Rochester 4, N. Y.*

Structural Bolting

Offers a guide to the selection and application of structural bolting for high-strength and elevated temperature applications. Pinpoints key factors in fastener design, materials processing, and fabrication. (5 pages). *Roesler Standard Pressed Steel Co., Jenkintown, Pa.*

Man-Made Fibers

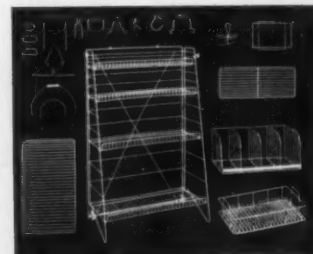
Contains glossary, denier conversion tables, and current data on the company's products. Includes definitions of fibers, a table of physical properties, a summary of characteristics, and end-use applications for each generic fiber classification. *American Viscose Corp., 1617 Pennsylvania Blvd., Philadelphia 3, Pa.*

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The LAW and YOU

WHEN LIGHTNING STRIKES

What constitutes an "act of God"? While every occurrence, in its broadest sense, may be considered an act of God, legally the phrase has a much more restricted meaning when it is applied to sales contracts and transportation bills of lading to relieve the vendor or shipper of liability for loss or delay.

Courts have given innumerable definitions, but the most comprehensive is: "Any accident due directly and exclusively to natural causes without human intervention, which by no amount of foresight, pains, or care reasonably to have been expected, could have been prevented."

An example of an "act of God" is fire originating from lightning—but not fires started by other means. Cyclones, earthquakes, floods, and severe frosts also have been held acts of God; but under some circumstances, these occurrences may not qualify legally as such.

For example, a flood is not an act of God where it could have been anticipated by ordinary foresight and prudence. Nor is a loss caused by freezing weather an act of God when the loss in fact is due to the negligence of man in not anticipating freezing temperatures in the winter.

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A "sale or return" contract gives the buyer a specific opportunity to return

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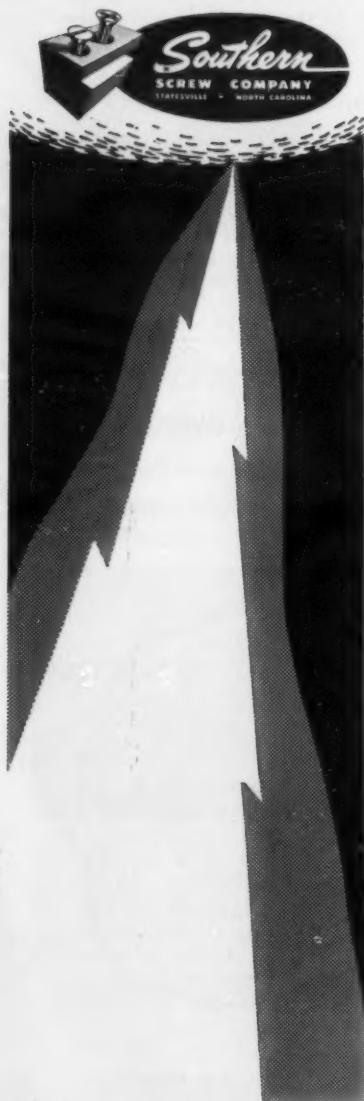
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goods if they are unsatisfactory. Under such a contract, title passes to the buyer, but he still has the option to rescind the contract and return the property within a stipulated time.

This contract device is simply an option to return if the purchaser is not satisfied. It differs from an option to purchase goods after a "free trial" in that the title passes at once. In a "free trial, buyer does not obtain title to the goods until he exercises his option to buy.

These differences raise the question of responsibility for the goods. Once title has passed, the risk of actual loss or damage is on the buyer (buyers' creditors may seize the goods, but sellers' creditors can't). The seller loses all security in the property, and his only rights are those given him by contract.

BUYING BULK QUANTITIES

Buyers can obtain contractual protection when they deal with sellers who offer bulk merchandise for sale without knowing the exact quantity they possess. In such a situation, contracts often provide that the buyer does not have to accept the delivered merchandise when the variation in quantity exceeds 25% of the amount stated in the seller's offer.

A decision was handed down recently in a case in which the buyer took advantage of such a contract provision. A firm bid on the purchase of 80,000 lb. of government-owned rubber scrap consisting of used aircraft and auto tires. The contract provided that "the purchaser agrees to accept the quantity tendered or delivered, unless the variation exceeds 25% of the quantity stated in the invitation to bid." When the buyer totaled the scrap rubber that he actually received, he found that it amounted to far less than the limit provided in the contract. But when he refused to accept the scrap, the government contract officer assessed a penalty of \$675.

The buyer's action was upheld by the Armed Services Board of Contract Appeals. The board rejected the government's claim for the alleged loss from the resale and for incidental expenses involved. (ASBCA, No. 6327, Air Force Appeals Panel, 9/21/60).

INVENTORIES IN DISPUTE

Disputes between seller and buyer over the quality of the goods sold sometimes affect inventories and tax obligations regarding them.

For example, a seller must inventory goods which a buyer has rejected; however, if you resell them to the buyer in the following year at a reduction in price, then you can exclude them from the inventory of the year in which they were originally sold.

Goods shipped according to contract but refused because of a price decline also do not have to be included in inventory accounts.

WHAT ABOUT CONTAINERS?

Containers such as kegs, bottles, and cases—whether returnable or not—must appear in purchased inventory if title to them passes to the buyer of the basic goods. But if title to the containers does not pass to the buyer, they need not be inventoried for tax purposes.

For example:

A soft drink bottler charged to expense all new bottles and cases that he purchased. He took deposits on the containers when he sold the bottled beverage but refunded the deposit when the empties were returned. In reporting his income, he listed all excess of deposits received over refunds.

The tax courts supported his method of accounting. Because title to the containers did not pass to the buyers of the soft drink, the tax commissioner could not compel the bottler to include the bottles in his inventory.

(The above material was prepared by Sydney Prerau of the J. K. Lasser Tax Institute for PURCHASING WEEK. Reader inquiries on general tax and legal aspects of purchasing will be discussed here in accordance with space limitations and applicability.)

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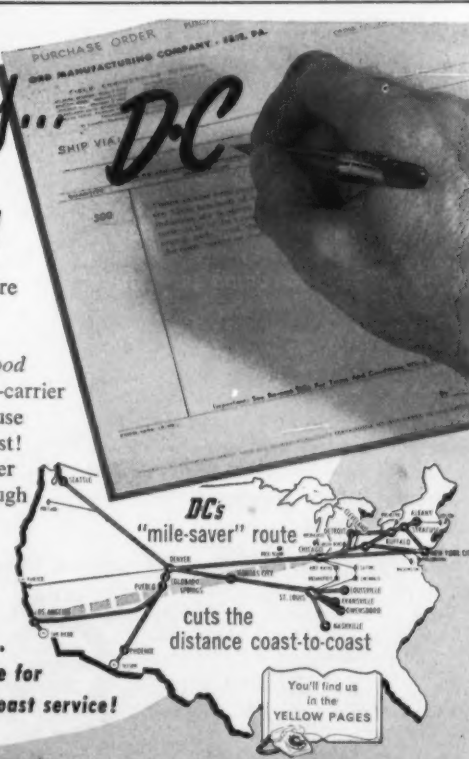
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New Teamster Pact May Force Truck Rates Up

(Continued from page 1)
by last weekend. But if not, both sides still had until Jan. 31 to head off a threatened walkout in 12 Midwest states.

"Nobody would gain anything by a strike because business hasn't been good for months anyway," a trucking association executive said.

A likely possibility: Management will grant a good-sized wage increase—perhaps even go along with Hoffa's demand for 28¢ over the three years—in return for certain work rules changes that would give the companies more operating flexibility.

Truck operators met Hoffa's wage demand with a counterproposal for a 17¢ increase over three years, plus 50¢ additional contribution to health and welfare, and 25¢ more into the pension fund. A spokesman indicated this would cost roughly \$7.50 per employee per week. Hoffa's package demands totaled 42¢ an hour.

A Leverage

Hoffa was reported attempting to use as leverage an agreement reached earlier on his terms with the Keeshin group of five trucking companies in separate negotiations. Teamster officials claimed that all told some 40 companies had come to terms.

"We're still keeping a united front despite the renegades," a carrier spokesman said.

Areas of heated controversy reported were Hoffa's suggested means of staffing new terminals, his demand that employers not penalize workers who refused to cross picket lines or handle struck goods, and a proposal for a \$5 minimum charge on each piggy-back shipment.

Taking note of the fast growth of piggybacking and containerization, Hoffa demanded that effective Feb. 1, 1962, for each trailer or container placed on, or delivered to, rail flat cars, birdy-back, fishy-back or barge operations \$5 be paid into either the pension or the health and welfare fund, as the union may direct, "provided the parties have not before then agreed to a mutually satisfactory alternative."

To that end, he proposed that

Canadian Firm Develops Prime Grade Iron Pellet Using Magnetic Process

Toronto—Can-Fer Mines Ltd. announced it is now shipping sample lots of premium grade iron pellets to U.S. and Canadian steel companies. The company is producing the pellets by a new magnetic separation process at the facilities of the Canadian Bureau of Mines in Ottawa.

Harry L. Isaacs, Can-Fer president, said he expects the new pellets will sell at approximately \$16.08/ton. This price is based on a cost of 24¢ for each percent of iron in the pellets.

Tests supervised by Behre, Dolbear and Co., New York metallurgical consultants, show that the pellets run approximately 67% iron and 15% ferrous oxide with only traces of sulphur and phosphorous. Each of the three most desirable types of pellets—self-fluxing pellets with lime, straight iron pellets and pellets with betonite—have been tested.

a committee be appointed to study and recommend possible solutions.

Finally, Hoffa proposed that management and the teamsters "accept the principle" of a national over-the-road agreement. This would constitute a departure from the traditional method of bargaining on a regional basis if adopted.

Particularly sensitive to Hoffa's piggybacking proposal were Chicago railroad men, who point out that trailer-on-flatcar loadings late in 1960 were running at more than 19,000 units a week, or 34% more than in 1959 and 110% more than for the year 1958.

A railroad spokesman said any \$5 charge would undoubtedly have to be passed along to shippers, raising the threat that in some cases the cost of piggy-

backing might jump above the cost of other types of common carriage.

"If this is ever enacted, it could have the effect of slowing down the growth of piggybacking, but it certainly wouldn't stop it," a Chicago railroad spokesman pointed out.

In separate negotiations, 10 teamster locals and an independent Chicago union were negotiating along similar lines with representatives of some 500 Chicago area cartage companies. Contracts with these companies expired Dec. 31, but a 7¢ wage increase was granted pending final agreement in order to prevent a strike.

Agreements reached in Chicago are expected to set a pattern for other contracts affecting roughly 200,000 drivers in other parts of the country.

2 Carriers Set Up Consulting Teams To Help Shippers Work Out Problems

(Continued from page 1)
"customized" service without charge to interested shippers. The service will include teams of experts attacking distribution problems by use of the "total cost" concept, rather than by the traditional method of considering only the cost of transporting goods.

REA President William B. Johnson said transportation costs represented, on the average, only 22.9% of total distribution costs. He said business management "lets the tail wag the dog" when it emphasizes reduction of transportation costs while overlooking ways of cutting distribution expenses in nontransport areas.

Aim of Program

Johnson said the aim of the program was:

- To eliminate or reduce the expenses of warehousing, inventory financing, materials handling, inventory control, packaging, order processing and other functions in the purchasing, marketing, production, accounting and administrative areas of distribution.

- To speed the flow of goods in more direct movements to widely dispersed customers and retail points, thereby improving the manufacturer's customer service as well as cutting costs.

In carrying out the program, REA experts will work closely with business management, including purchasing and production executives, in auditing, analyzing and reshaping distribution methods into new, cost-saving programs.

The studies will take particular note of communications systems and the application of ED to improve customer service and effect cost reductions in the inventory and reorder phases. Warehousing operations also will be scrutinized with an eye toward bypassing that function as much as possible to save storage, handling, taxes and insurance expenses, as well as reduce capital investment.

In test cases, REA said, these programs have cut shippers' costs as much as 60% and increased volume 25-fold.

Johnson said REA's entry into

the consulting field was "a logical one because the convenient availability of its coordinated and integrated diverse transport services can make possible hitherto untapped opportunities for substantial savings in many of the nontransport areas of distribution."

World-Wide Service

Pan American's free counseling service will be available at 26 cities in the United States and Canada and at 114 commercial centers served by the airline abroad.

The airline's service will include advice in areas ranging from overseas marketing conditions to current tariffs and currency exchange rates.

The idea of having carriers provide distribution consulting services has been picking up steam in recent months, although most programs have been confined to single modes of transport using various formula approaches.

Other carriers now offering some form of distribution service include: American Airlines, United Airlines, Denver Chicago Trucking Co., Inc., Pacific Intermountain Express, the New York Central Railroad and the New Haven Railroad.

Distributors Group Maps Standards and Code For Makers of Work Gloves

New York—The National Assn. of Industrial Glove Distributors is mapping a campaign to develop standards plus a new coding method that will insure the buyer that he's getting the type of glove he ordered.

A committee is now drawing up recommended standards and a coding system for gloves made of Canton flannel cloth. The association says that this will be followed by similar studies for other types of work gloves: leather, flannel-leather, and coated. In addition to standards and a coding system, the NAIGD also plans to explore the possibility of making style simplification recommendations.

This Week's

Purchasing Perspective

JAN. 9-15

(Continued from page 1)

J & L made its move on the basis of an analysis of markets that indicated "this is what the customer wants." Now—with steel production in one of its deepest postwar slumps—all steel and metals producers are trying to improve ways of getting supplies to the customer when, where, and in the quantities he wants it. They know that the mill that can't deliver at once on a hurry-up call from a purchasing agent is in serious trouble. The prevailing buyers' market in steel and most other metals makes it imperative for producers to provide "instant" service—either from mill stocks or through warehouse outlets.

Some steel producers prefer their own warehouse organization, claiming they can provide better customer service that way. Others utilize both methods—captive outlets or independent service centers. But industry observers believe the marketing swing is definitely toward independent service centers.

Independent warehouse suppliers sometimes are franchised to handle only one company's metal. But this doesn't always mean the distributor doesn't sell a competing product. Many service centers handle a combination of metals products—copper, brass, magnesium, and aluminum in addition to steel—giving customers two prime requisites, quality and service on a variety of items.

Some industry sources predict that before long service centers, in addition to stocking varieties of brass, copper, tool steels, special alloys, stainless, etc., also will go in for plastics.

Some business men are taking the initiative in helping the U.S. reverse the recent decline in the nation's gold supply. For many it means a switch of policies that permit purchase of foreign goods to gain a price advantage.

In Dallas last week, Texas Oilman H. L. Hunt announced that he had instructed his purchasing departments to halt purchases of foreign steel. He said it had been brought to his attention only recently that his companies had been buying imported steel at prices that in some instances amounted to a 20% saving. But from now on, Hunt says, he wants only American-made steel.

Greater reliability in instrumentation and control systems is influencing the growth rate of American processing plants. William F. Crawford, president of Rockwell Manufacturing's Edward Valves subsidiary, sees an emerging trend in which plant reserve capacity is declining as a percentage of total productive capacity.

According to Crawford, the trend already is clearly apparent in such diverse industries as electric power generation, steel-making, chemical processing, and petroleum processing. As more sophisticated and more reliable equipment is made available, the growth rate of new plant facilities thus will decline as a percentage of total installed capacity. The net result, the Rockwell executive said, will be fewer, but bigger new plants.

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Fast Shuffling Prices Keep Most Buyers Guessing

(Continued from page 1)
mouse philosophy in which the tiniest move may mean a temporary advantage to somebody.

Take this recent dramatic story of the quick hike in naphthalene and phthalic anhydride prices:

"I was on the phone," says a big chemical company official, "telling a friend that I didn't think phthalic prices were going up at all. I explained that the additional production due onstream from petrochemical companies would soon eliminate the shortage, and that my company and the others were probably out right now getting long-term contract customers at current prices rather than thinking about raising them. I was still talking when I was handed the notice of the increased prices."

"A year ago they wouldn't have raised prices," he continued. "But I guess volume customers are hard to get now, so companies will take advantage of a temporary shortage and cut prices later when they have to."

Polystyrene Maneuver

Another example of what's going on is the way polystyrene producers maneuvered the price of that product in a manner which had everybody guessing what was coming next. Late in November, Foster Grant and Monsanto led a reduction of about 3¢/lb to 18¢. It appeared Dow was going along with the idea when it announced it was meeting competition, but what actually happened was that Dow finally pegged its price at 19¢, a penny higher, in hopes of "stabilizing" the market.

"Demand has been quite good for polystyrene," observed one chemical executive in discussing the Dow move. "I think part of the reason the original price cuts were so deep was to discourage other companies from entering the field. But that's a long-run factor, and I don't think the long run is a prime consideration today."

Meantime you see this pricing strategy cropping up more and more these days: the application of large quantity discounts to small order sales. With volume customers hard to get, many firms are concentrating on building up their list of small-order customers.

Bunching Them

In the Midwest, for example, steel service centers recently announced that quantity discounts would be applied to combinations of small orders on certain steel products a policy they had abandoned when the boom was at its height. Similarly, a number of chemical companies are offering quantity discounts on combinations of small orders—opening up the possibility, according to industry observers, that some P.A.'s will pool orders to take advantage of the new offers.

A sizable number of producers interviewed by PW say that they will be going in more for selective price changes than ever before. "We're going to take a hard look at our product mix before we decide which tags can be raised, which lowered, and which left alone," said the top executive of one major West Coast supplier of metal products.

Rent price moves by Chemstrand and Du Pont for their synthetic fibers—acrilan, Dacron,

and Orlon—underscore this trend to more selectivity.

Demand was booming for those deniers that were increased, while the Acrilan and Dacron deniers that went into industrial usage—where demand wasn't so good—were left unchanged.

At the same time, prices were cut for the lightest (30) denier Dacron filament and the specialty Orlon (Sayelle) for the purpose of stimulating demand for these specific items.

In the face of all these price maneuverings, the P.A.'s biggest headache will be in deciding whether price increases (or decreases) will stick. Here are two examples of the kind of fast decision he may soon be up against:

• In aluminum, he'll have to weigh the year-end statement that expressed hope "firmer prices

can be established during 1961" against the prospect of lower prices resulting from excessive producer inventories, price competition, and lagging demand.

• In the plumbing brass field, he's faced with a similar dilemma: Will the recent 3%-10% price hike posted by one major company stick—or will the slow demand reported by plumbing supply firms, plus competition from low-priced imports be the overriding factors?

"This situation," says one veteran P.A. "is going to separate the men from the boys. How long will it go on? My guess is that it will go on until some great, overriding movement—let's say a big armament program, a big construction program, a big labor push, you name it—puts a stop to this nervous penny-ante poker game."

Task Force Urges End to Rate Wars

(Continued from page 1)
cover full costs and provide a fair rate of return.

The task force said freight carriers also have been hampered by restrictive and uncoordinated government regulatory policies. Calling for a massive shakeup of existing transportation, it urged:

• Creation of a cabinet-level Department of Transportation which would make over-all transportation policy and administer government programs aimed at promoting transportation. The department would absorb the Maritime Administration, Bureau of Public Roads, Federal Aviation Agency, St. Lawrence Seaway Development Corp., the present Undersecretary of Commerce for Transportation and the traffic management functions of the Post Office, Defense Department, and General Services Administration.

• Creation of a super regulatory agency to be known as the Federal Transportation Commission. This 15-member agency would replace the Interstate Commerce Commission, Civil Aeronautics Board and Maritime Board and would handle rate-fixing and operating rights for all surface and air carriers.

• Creation of a special transportation court of appeals to provide speedier and more uniform review of regulatory agency decisions appealed to federal courts.

The task force called for stronger government action to promote coordinated shipping service, a reduction in transportation competition and a greater operating freedom for both truck and rail lines. Here are its major proposals:

• The government should actively foster a speed-up in the trend toward containerization.

• The new transportation agency should be empowered to compel the various modes of transportation to establish joint rates and through services. Furthermore, shippers should be allowed to petition the new agency demanding coordinated service.

• Congress should spell out that the ICC now has—and any new transportation agency will have—authority to determine whether ownership of one form of transportation by another is in the public interest. It should

license so-called common ownership operations on a three-year basis and require an accounting at the time of each license renewal to make sure commonly-owned companies are providing adequate service. This would allow railroads to engage in common ownership and require other modes which now have commonly owned operations to obtain ICC approval.

• The new Transportation Department should speed up the railroad merger process and strive for creation of regional railroad systems, with first emphasis on rail lines operating in the Northeast.

• The new agency should greatly relax operating restrictions on truckers. Truckers should be encouraged to broaden the list of commodities they will handle and route restrictions should be imposed only where necessary to prevent destructive competition.

The task force study is now in the hands of Commerce Committee members for study. Industry and government experts have been invited to submit comments and hearings on the group's recommendations that will be held later.

Late News in Brief

Businessmen Air Depreciation Peeves

Washington—Most businessmen believe they should have more freedom in figuring depreciation of property for tax purposes, according to the results of a Treasury Dept. poll of 3,000 big and small firms. Second most popular change urged in replies to the government survey was establishment of a system of depreciation adjustment that would reflect rising price levels. But only 8% of the large corporations and 13% of the small businessmen responding to the Treasury inquiry suggested changing depreciation rules and regulations to a system under which depreciable property is grouped into broad categories with shorter tax lives.

Crucible Cuts Price of Stainless

Pittsburgh—Crucible Steel Co. of America has cut the price of type 422 stainless 10%. New prices for the key steel grade used for turbine blades, wheels and valves are: billets, 54¼¢/lb.; sheet and strip, 74¼¢/lb.; bars, 59¢/lb.; wire, 56¢/lb., and plates, 61¢/lb. The firm said the reductions developed from economies in new production techniques.

Du Pont Slashes Teflon Tags

Wilmington—Du Pont Co. has reduced the base price of Teflon fluorocarbon resin 35¢ to \$2 per pound. New base price is \$3.25. New truckload prices are: Teflon 1 and 5 molding powders, \$3.25/lb.; Teflon 7, \$3.25; Teflon 30 and 30B dispersion, \$4.30; Teflon 6 and 6C extrusion compounds, \$5.05; Teflon 100 FEP, \$9.60.

Port Authority to Appeal ICC Ruling

Boston—The Massachusetts Port Authority plans to appeal last week's ICC decision which gives Southern ports a rail rate advantage over Northern ports. Rail rates on import-export cargos are 2¢/100 lb. lower for Philadelphia, and 3¢/100 lb. lower for Baltimore than for the Northern ports. The ICC upheld the present rate structure in a 9-1 decision.

Phelps Dodge Markets Giant Cable

New York—Phelps Dodge Copper Products Corp. has added a new 345,000 volt pipe cable to its price catalog which it claims will carry higher voltages than any now being carried by underground lines. New York City's giant utility, Con Edison, is considering installing the new cable in a 17-mile line.

Sears, Roebuck Cuts Catalog Prices

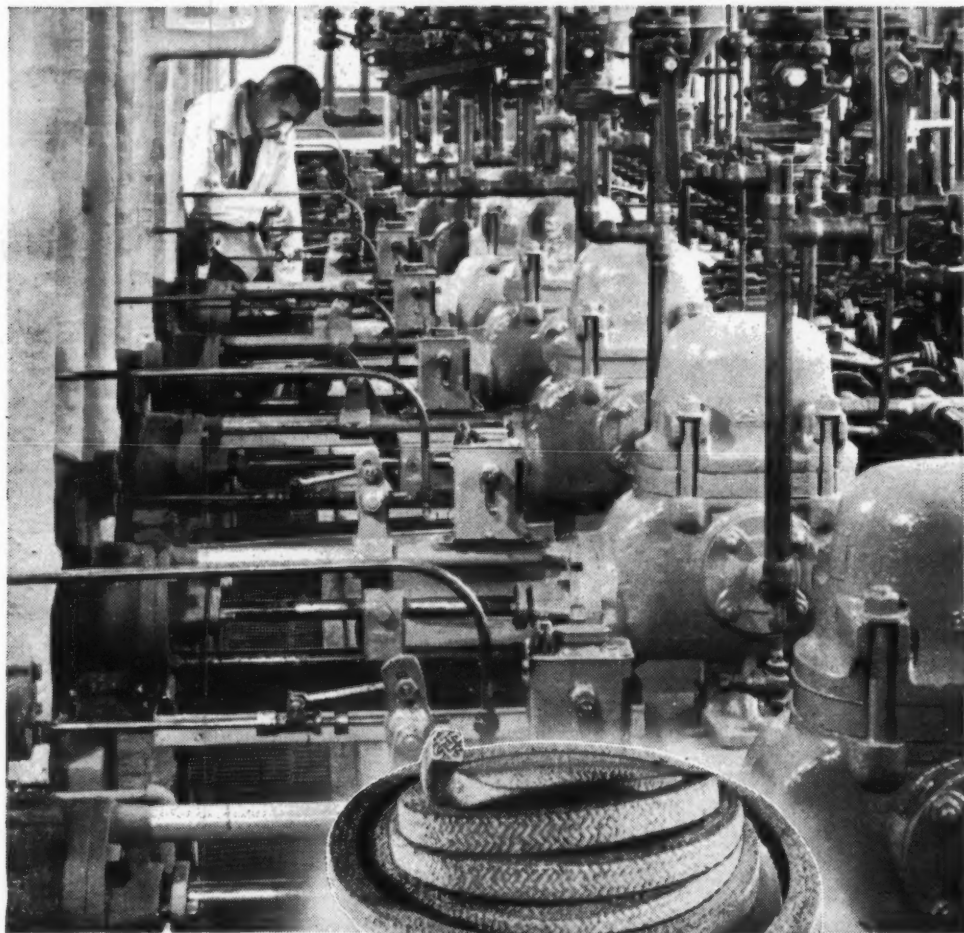
Chicago—Prices in Sears, Roebuck & Co.'s Spring and Summer catalog have been cut to the lowest levels since 1955. Average prices are 2.4% below 1960 levels, according to company spokesmen. Home furnishings are down 1.8%, apparel down 4.3%, and home appliances down 5.3%. Montgomery Ward, Alden, and Spiegel made similar reductions ranging from 2% to 5% earlier.

Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
INCREASES			
Industrial finishes, DuPont.....	3%	....	incr. costs
Potash salts, muriate potash, 60-63% K2O, per unit K20.....	.02	.375	good demand
Sulfate potash, 50% K2O, per unit K20.....	.03	.705	good demand
Ammonium nitrate, bulk, ton.....	\$3.00	\$64.00	good demand
Tall oil, crude, lb.....	.00125	.03	good demand
No. 2 oil, kerosene, diesel, Esso, East Coast, gal.....	.005	....	seasonal demand
Gulf Coast, gal.....	.003	....	....
Medium marine diesel & heavy marine diesel, Esso, East Coast, bbl.....	.21 & .10	....	seasonal demand
Gulf Coast, bbl.....	.13 & .10	....	....
No. 4 oil, Esso, East Coast, bbl.....	.14-.16	....	seasonal demand
No. 5 oil, Esso, East Coast, bbl.....	.04-.16	....	seasonal demand
REDUCTIONS			
Trimethylpropane, carlots, lb.....	.045	.305	competition
Camphor, dom., tech., pwt., lb.....	.03	.45	competition
USP, pwt., 2000 lbs. plus, lb.....	.05	.52	competition
Erythorbic acid, lb.....	\$1.19	\$3.11	....
Erythorbates (sodium salt), lb.....	.97	\$2.53	....
Fluorocarbon resins (Teflon), DuPont, lb.....	.35-\$2.00	....	prod. econs.
Menthyl, Brazilian, lb.....	.10	\$8.15	....
2-ethylhexal acrylate, lb.....	.025	.37	competition
Valonia, cups, ton.....	\$3.00	\$57.00	good supply
Stainless steel, type 422, Crucible.....	10%	prod. econs.



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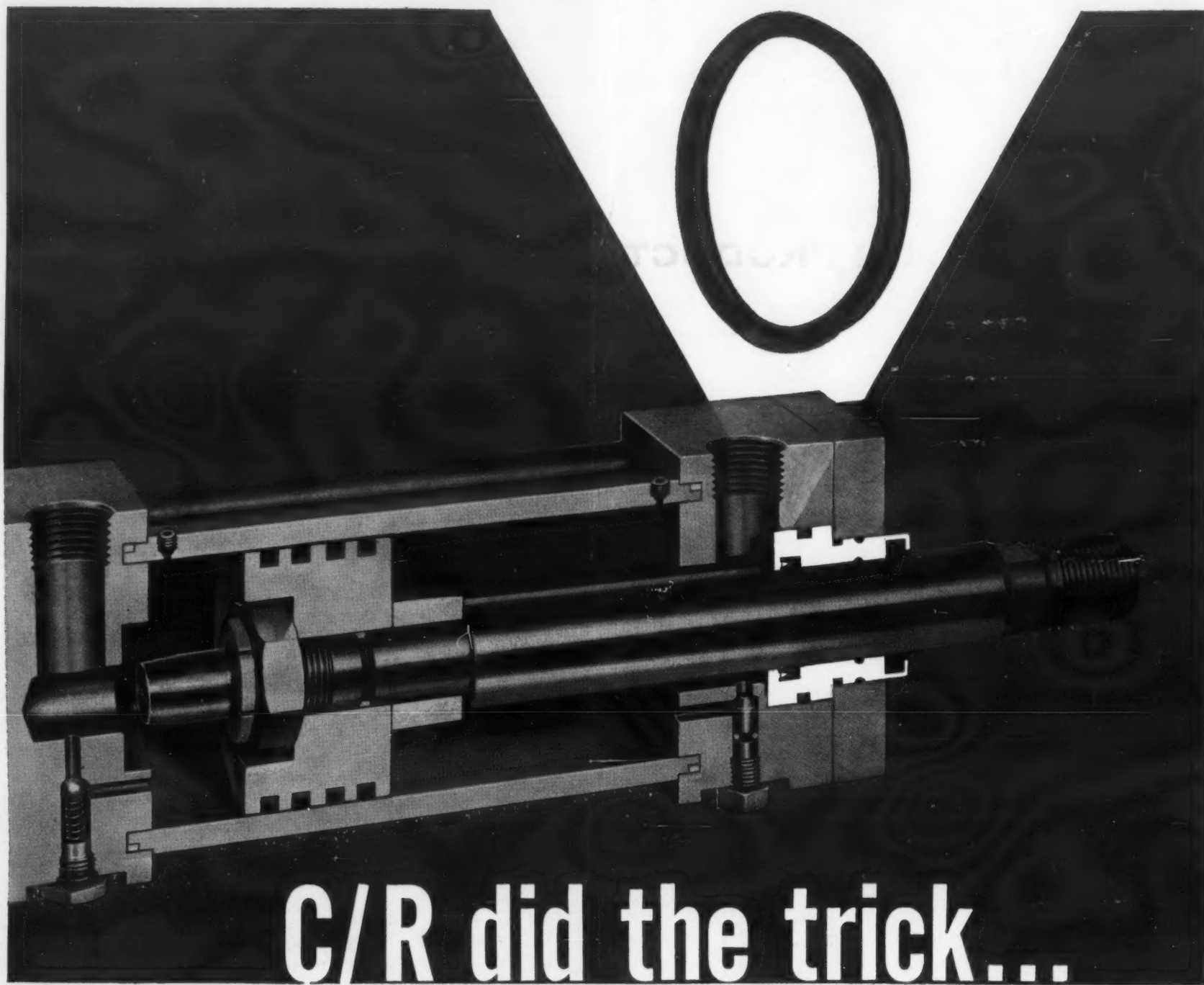
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